

Office for Standards in Education,
Children's Services and Skills



Annual Report and Accounts 2021–22

Office for Standards in Education, Children's Services and Skills

Annual Report and Accounts 2021–22

(For the year ended 31 March 2022)

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Overview by Her Majesty's Chief Inspector

It has been another challenging year for everyone working in education and care. Our research and insights have highlighted the many different effects of the pandemic on children and young people. Staff and leaders have worked hard to respond to these, including helping children to catch up academically and addressing their wider needs. They have also continued to respond to changing restrictions during different phases of the pandemic. We worked closely with those working in education and care to adapt our approach to the changing circumstances of the pandemic.

I am proud of what we have achieved this year. We took a sensitive and proportionate approach to the return to routine inspection, and our post-inspection surveys continue to be overwhelmingly positive. Our essential regulatory work continued throughout. We also published more research than in any of the last five years, and our insights have influenced policy and practice across our remits.

At the Spending Review, we were funded by HM Treasury to carry out significant new work, including accelerating inspections and regulating supported accommodation for 16- to 17-year-olds in care and care leavers. We were also funded to develop a new framework for inspecting special educational needs and/or disabilities (SEND) provision in local areas, to become the quality assurance body for a new Online Education Accreditation Scheme, and to start inspecting lead providers of the early career framework and national professional qualification programmes.

This year was the final year of our 2017 strategy. It has guided our decision-making throughout the last five years and helped us to achieve a huge amount, as set out in the performance analysis section of this report. This year we reviewed our performance over the last five years, analysed information about the sectors in which we work, and developed a new five-year strategy that sets our direction to 2027. Our guiding principle – to be a force for improvement – continues, but we have new priorities to help us to achieve this. They include a greater focus on early years education to help children get the best start in life, and an even greater emphasis on adding value to the sectors we inspect and regulate through our research and insights. I look forward to reporting back on the first year of implementation in next year's annual report and accounts.

Amanda Spielman
Her Majesty's Chief Inspector

Overview by the Chair

Last year I said that in 2021–22 the board would work with the executive on a new strategy and would carry out a board effectiveness review. I am pleased to report that both have been accomplished.

The board's focus on the new strategy has been at a time of significant disruption for those we regulate and inspect. Our new strategy takes the lessons learned over recent times into account and builds on the insights gained since our previous strategy was developed. It describes our shared vision for future success and the principles that underpin our work. The strategy will enable us to respond to future change when required, while continuing to deliver successfully on our core activities.

Good corporate governance is fundamental to any organisation, and it is good practice to review the board's effectiveness regularly. This year, we commissioned an external reviewer to examine the board's effectiveness and its corporate governance framework, which documents the board's roles and responsibilities and the wider context in which it operates. The review is now complete, and consideration of its recommendations and next steps is under way.

Alongside routine business, the board has discussed Ofsted's ongoing response to the pandemic, plans to return to routine inspection, and the related strategic risks. I am pleased to report that, for the third consecutive year, internal auditors provided a substantial opinion, stating that, overall, Ofsted's framework of governance, risk management and control in 2021–22 was adequate and effective. This is a significant achievement and, on behalf of the board, I would like to thank Ofsted staff for their hard work in achieving this.

I would also like to thank my fellow board members for their dedication and support throughout the year, including Pamela Scriven, who stepped down in January 2022, and John Cridland, Julie Kirkbride and Venessa Willms, who will step down in July 2022, as their terms come to an end. Their contribution, expertise and input have been invaluable. We will welcome new board members from July 2022.

2021–22 was another important year for Ofsted, as we moved into a new phase of managing the impact of the pandemic and getting back to routine inspection and regulatory work across all remits. As we look ahead, I am confident that Ofsted will continue to be a force for improvement and play a substantial part in ensuring that providers of education, training and care services in England do so to a high standard for children and students.

Dame Christine Ryan
Chair

PERFORMANCE REPORT



About us

A force for improvement

Ofsted's role is to make sure that organisations providing education, training and care services in England do so to a high standard for children and students. There are thousands of these organisations, and they provide the education and care that allow the next generation to realise its full potential.

We carry out our role through independent inspection and regulation. We inspect schools, further education and skills providers, early years providers, children's social care, initial teacher education (ITE) and local areas' provision for children with special educational needs. Inspection provides an independent assessment of the quality of provision for parents and carers, commissioners, and young people themselves. The inspection process, including the professional dialogue with leaders, helps providers to improve. It also allows us to aggregate and report on what we see, with regard to what works well and what does not across the country. In early years and children's social care, we are also the regulator. Regulation allows us to determine whether providers are fit to provide services. We take enforcement action against those that are not.

Our 2017 strategy set out three approaches for continuing to be a force for improvement. They are for us to be:

- **more intelligent:** all of our work will be evidence-led and our evaluation tools and frameworks will be valid and reliable
- **more responsible:** our frameworks will be fair. We will seek to reduce inspection burdens and make our expectations and findings clear
- **more focused:** we will target our time and resources where they can lead directly to improvement.

This was the final year of Ofsted's 2017 strategy, and this report looks back over the impact it has had. We published a new strategy in April this year, setting Ofsted's direction until 2027.

Our values

Our values guide everything we do. They apply to everyone in Ofsted and all those who work on our behalf. Our values are:

- **Children and students first:** We have high expectations for every child, regardless of their background. Everything we do as an organisation is in the interests of children and students.
- **Independent:** Whether reporting on a provider, assessing policy outcomes or advising government, we do so without fear or favour.
- **Accountable and transparent:** An organisation that holds others to account must be accountable itself. We are always open to challenge and scrutiny.

Performance summary

2021–22 was another important year for Ofsted. Despite the continued disruption caused by the pandemic, we continued our vital regulatory work, restarted routine inspection in all remits, published more research than ever before, took on new responsibilities, and developed new frameworks and approaches to keep pace with the sectors we work in. We also developed a new strategy that sets our direction for the next five years.

We adapted our approach to the changing circumstances of the pandemic and worked closely with providers and sector groups throughout. Returning to routine work was not always easy. Some people thought that we were returning too quickly, and others thought that we were not back out inspecting quickly enough. At each stage, we put children and learners first and did what we believed would be right for them.

As in the previous year, our crucial regulatory work continued during 2021–22, despite the pandemic. This included registering new providers, visiting providers and taking enforcement action when it was right to do so.

Inspections in spring and summer 2021

In the spring and summer of 2021, many COVID-19 restrictions were still in place. Schools only re-opened to most pupils in early March. England was in a national lockdown, with a ‘stay at home’ order in place until late March and various limits on social mixing until early July.

When the third national lockdown ended in late March, we announced our plans to return to routine inspection from early April. We gave providers time to welcome children and learners back and to put in place arrangements in line with the Department for Education (DfE) COVID-19 guidance before we began inspecting. We updated our handbooks to explain how we would take account of the pandemic on inspection. This included taking time in initial discussions with providers to understand the impact of the pandemic on their settings, clarifying how we would consider data and agreeing to work with each provider’s specific COVID-19 protocols. Recognising the disruption caused by the pandemic, we extended the transition period that allows education providers to receive a ‘good’ grade while they continue to develop their curriculum plans.

When scheduling inspections, we took account of any concerns we had about a provider, the most recent inspection judgement and the length of time since we last visited, as well as any statutory requirements. The approach we took varied slightly by the type of institution:

- In early years, we returned to graded inspections of some registered providers based on our risk assessment. The sector was clear that it wanted us to resume routine, graded inspections as soon as it was safe to do so, as providers use overall effectiveness judgements to reassure parents and to apply for funding from local authorities. We also returned to childcare inspections in April.
- In schools, we did on-site monitoring inspections of schools judged inadequate and some that were judged requires improvement. We carried out full graded inspections of these providers if we saw significant improvement. We also inspected some good and outstanding schools. For the first half of the summer term, we focused on primary schools, with secondary school inspections starting in late June. This was to avoid creating an additional burden for secondary leaders and staff when they were busy preparing teacher assessed grades for GCSEs and A-levels.

- In non-association independent schools, we continued on-site additional inspections, and began standard graded inspections where we were commissioned to do so by the DfE.
- In further education and skills providers, we carried out on-site monitoring visits and some full graded inspections.
- Following the launch of the new ITE inspection framework in 2020, ITE inspections started in May 2021.
- For local authorities, we continued to carry out risk-assessed focused assurance visits until May 2021 and monitoring visits to inadequate local authorities.¹ From June, we returned to routine focused visits, and we also inspected Sunderland local authority. The local authority appreciated the opportunity to demonstrate that it was no longer inadequate – indeed its judgement improved to outstanding.
- In social care, we scheduled children’s home and residential special school inspections based on a risk assessment that included the length of time since the provider’s last inspection. We also returned to our routine inspections of independent fostering agencies, residential family centres, voluntary adoption agencies and adoption support agencies.

Autumn 2021

By the autumn term, we were back to full regular inspections. Regulations were repealed or updated so that we were once again required by law to inspect providers within certain time frames. Feedback from providers was positive. The vast majority of those inspected reported that they were satisfied with the way the inspection was carried out, and agreed that it would help their provision to improve.

On 8 December, the Prime Minister announced a move to ‘Plan B’ measures in England, following the spread of the Omicron variant. We agreed with the DfE that we would not carry out any routine education inspections until January to help providers put contingency measures in place. However, we continued to inspect where we had concerns.

Spring 2022

We resumed routine education inspections in January, avoiding the first week of term for secondary schools so that they could carry out on-site COVID-19 tests. Recognising that some providers were facing significant challenges because of COVID-19, particularly staff shortages, we temporarily stopped using part-time inspectors who work in schools and colleges. We also updated our deferral policy to make it clear that the impact of COVID-19 was a legitimate reason for deferring an inspection. We drew school leaders’ attention to this element of the policy in our notification calls. We centralised decision-making so that all requests were considered consistently. We did receive higher numbers of deferrals at the start of the term. This peaked in mid-January and by mid-February the number of requests we were receiving had significantly reduced. During this period, most providers did not ask to have their inspection deferred and the majority of inspections went ahead as planned. Not all deferral requests were agreed – in some instances we refused because we had concerns about the provider, and in some cases the request did not meet the criteria for deferral. But the majority (over 80%) of requests for a deferral for COVID-19-related reasons were granted,² and providers told us they welcomed our flexibility and responsive approach.

1. In focused assurance visits, we test practice across the full scope of an inspection of local authority children’s services (ILACS), whereas in focused visits we look at one area, for example children in care.

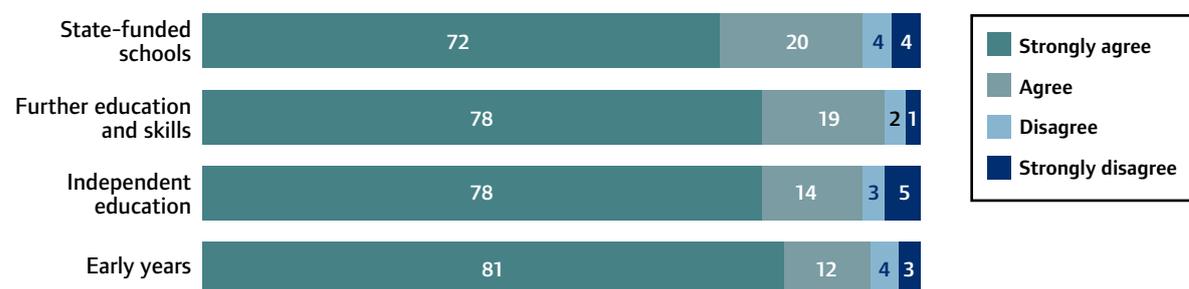
2. ‘Ofsted deferrals 1 January to 18 February 2022’, Ofsted, February 2022; <https://www.gov.uk/government/publications/ofsted-inspection-deferrals>.

Feedback about our approach

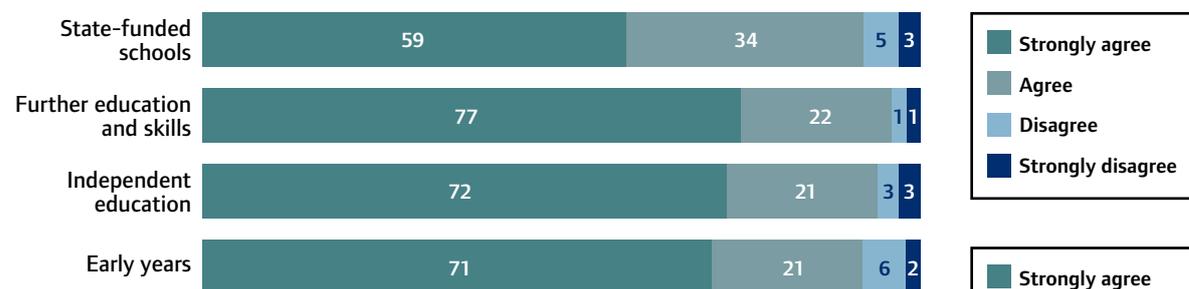
We worked closely with providers and representative groups from each sector throughout the year, particularly at points where we needed to change our approach in response to changing circumstances. After each inspection, we ask providers to complete a feedback survey. The majority of respondents were positive about their inspection and the results were the same as or better than before the pandemic.³

Responses to post-inspection surveys for inspections that took place between 1 April 2021 and 31 March 2022

Question: Overall, I am satisfied with the way the inspection was carried out.



Question: The inspection will help me to improve my provision further.



Question: The inspection will help you to improve the services you offer to children, young people, parents, carers and other service users.



1. Numbers shown are the proportion of responses to the statement (%); they are rounded and may not add up to 100%. A small number of providers do not answer every question in the survey.

2. Total providers responding to the survey (and survey response rate) – 1,717 state-funded schools (48%); 291 further education and skills providers (47%); 190 independent schools (36%); 301 early years providers (4%); 2,001 social care providers (56%).

3. 'Responses to Ofsted's post-inspection surveys', Ofsted, December 2021; <https://www.gov.uk/government/collections/responses-to-ofsteds-post-inspection-surveys>.



Inspecting providers judged outstanding

Between 2012 and November 2020, most schools, colleges and other further education and skills providers that had been judged outstanding were legally exempt from routine inspections. This meant that some went over 14 years without an inspection, and over 1,000 schools went uninspected for more than a decade. For many years we had argued that this lack of oversight was potentially damaging for children and young people, and it meant that parents, carers and the public did not have a recent assessment of the quality of provision. The government removed the exemption in November 2020, and we welcomed this change.

These schools and providers are now once again subject to routine inspections, and they will all be inspected by 1 August 2025. We are prioritising the schools, colleges and providers that have gone the longest without inspection. Between 1 September 2021 and 31 March 2022, we inspected 328 previously exempt schools. This compares with 252 in the same period in 2019–20, before the exemption was lifted.⁴

Schools that were last inspected before 2015 have full, graded (section 5) inspections. Just over a fifth of these schools inspected to date have remained outstanding, although most of the others were judged to be good. However, around a fifth of schools received a judgement of requires improvement, with 1 in 25 receiving a judgement of inadequate.

Schools that were exempt for a shorter period instead (that is, they were inspected between September 2015 and November 2020) receive reduced (section 8) inspections. Around four in 10 of these schools remained outstanding. Very few (about 4%) of these schools were considered to have concerns significant enough to trigger a full graded inspection. Such concerns would include any evidence that led us to believe that the school would be judged requires improvement or inadequate. However, six in 10 were identified by inspectors as 'declining'. We will therefore return to these schools in about a year's time to carry out a graded inspection. A full set of judgements will then be made and many of these schools may lose their outstanding grade.

4. From September 2018, we were able to inspect 10% of outstanding schools, based on a risk assessment

Intervention and enforcement

Illegal schools

We have continued to carry out investigations and inspections of suspected illegal schools. We did 135 inspections and issued 26 warning notices this year. We also worked with the Crown Prosecution Service on two successful prosecutions of illegal schools and an appeal.

We have continued to reinforce the need for changes to the law to strengthen our investigation powers, clarify registration requirements to close the loophole currently allowing some schools to evade registration, and expand the sentencing options available to magistrates following a prosecution. We have worked with the DfE on this for some time and were pleased to see it included in the Schools Bill. We also welcome the introduction of a compulsory register of home-educated children, which is an important step towards keeping children safe.

Unregistered children's homes

We carried out 420 investigations into possible unregistered settings this year. After investigation, fewer than 10% of the 420 settings (33) did not need to be registered. Many of these were providers of supported accommodation and similar unregulated placements. Around 70% of settings (292) should have been registered with us as children's homes. Most settings have since received warning letters and some will have closed beforehand.⁵

Ofsted has not been granted any additional powers to take enforcement action against illegal unregistered children's homes, and we would like to see that considered.

Local authorities can apply to the High Court to ask it to make a child subject to the 'inherent jurisdiction' of the court and deprive them of their liberty. This means that providers can put in place restrictions for children, such as not being able to leave the home unaccompanied or not being able to use a mobile phone or any other electronic device. Many children deprived of their liberty are placed in unregistered children's homes. This means that we have no powers to inspect or regulate their placement, leaving the children even more vulnerable. This year we have been 'party to proceedings' in three cases where the courts clarified how the inherent jurisdiction can be used. We reminded providers and local authorities that they must register children's homes in line with the President of the Family Court's guidance. In response, we have been able to be much clearer with all providers that they must register, irrespective of the circumstances of the placement.

5. Data is taken from our central recording system for unregistered children's homes, which may not contain all records.

Solihull joint targeted area inspection

In December, following the convictions of Emma Tustin and Thomas Hughes for killing Arthur Labinjo-Hughes, the secretaries of state for the DfE, Department of Health and Social Care, Home Office and Ministry of Justice (MoJ) commissioned Ofsted, the Care Quality Commission (CQC), Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and Her Majesty's Inspectorate of Probation to carry out a joint targeted area inspection (JTAI) in Solihull.

The JTAI looked at the multi-agency response to identifying children's initial needs and level of risk, how services are working now and what lessons have been learned from this case. The report was published on 21 February and identified areas for priority action for the local safeguarding partnership and West Midlands Police. In common with most local areas, the COVID-19 pandemic has had some impact on staffing in Solihull; however, the inspection found long-term systemic issues that could not entirely be attributed to the impact of the pandemic.

The Child Safeguarding Practice Review Panel was also commissioned to look at the circumstances surrounding Arthur's death, and Ofsted and our partner inspectorates have provided evidence for the panel. This report and our JTAI both provide insights into the impact of COVID on the child protection system, as well as any wider systemic issues that need to be addressed. Ofsted raised concerns throughout the pandemic about the loss of regular oversight of children at risk of significant harm. The number of high-profile cases that have been in the public domain in recent months sadly indicate that our concerns were justified.

Early years inspections

In the early years sector, we faced significant challenges in returning to our pre-pandemic volume of activity because fewer contracted inspectors returned to work for us than expected. Some of our contracted inspectors are serving practitioners and needed to prioritise their own childcare provision because of staff shortages resulting from the pandemic. This meant that, while we were still able to meet our statutory inspection targets, we missed our internal policy target (more detail is provided in the 'Efficiency of delivery' section).

We set up an internal programme board to identify ways to accelerate our early years inspections, while continuing with our vital regulatory work, including the registration of new providers. We listened to our contracted inspectors and increased pay rates to better align with industry standard pay. We have also improved terms and conditions so that they align with those of our other remits. We have introduced new processes to speed up training and induction for new contracted inspectors, and have improved our website to make it easier to register an interest in becoming a contracted Ofsted Inspector. More information is available on www.gov.uk/guidance/how-to-become-a-contracted-ofsted-inspector.

We expect these changes to enable us to catch up, by the end of September 2022, with the inspections not completed during the pandemic.

Development work

Area SEND framework

In June 2021, we published findings from visits that looked at the experiences of children and young people with special educational needs and/or disabilities (SEND) and their families during the pandemic. Ofsted and CQC inspectors visited 10 local areas and spoke to families, children and young people, practitioners and leaders. We found that children and young people with SEND had been disproportionately affected by the pandemic. Alongside our research, HMCI published a commentary that sets out our priorities for the new area SEND inspection framework. They were to:

- focus more on the impact of local area SEND arrangements on children and young people
- drive improvement across England through a new system of inspections
- broaden the scope of our inspection to include alternative provision.

We have developed the new framework over the last year, including testing methodologies with local areas, and will consult in June.

Initial teacher education

Following the initial teacher training market review, the DfE has been running a reaccreditation process for all ITE providers. We have helped the DfE to assess applications from prospective providers by advising on the curriculum elements. All materials were anonymised to make sure that each application was reviewed and assessed independently of any past or future inspections.

This work on accreditation assessments is entirely separate from our inspection work. Our inspections assess the quality of existing ITE provision, whereas the accreditation assessment process evaluates the quality of curriculum plans for delivery from September 2024.

Early career framework and national professional qualifications

In March, we published our new framework and handbook for inspecting lead providers of early career framework (ECF) and national professional qualification (NPQ) programmes. These programmes complete the golden thread of professional development for teachers that starts with effective ITE.

ECF and NPQ inspections will provide assurance about the quality of professional development and training offered by lead providers to teachers and leaders at all stages of their professional careers. As we emerge from the pandemic, it is now more important than ever that the teaching profession can recruit, train and retain the highly skilled workforce needed to give pupils the very best experience in education. Inspections will begin in summer 2022, with monitoring visits to check that early implementation of the programmes is on track. From spring 2023, we will carry out full inspections of each lead provider at least once every two years.

Supported accommodation

Supported accommodation for 16- to 17-year-olds in care and care leavers is currently unregulated. The government consulted on new standards for supported accommodation this year and announced in December that Ofsted would inspect and regulate the sector. We have collected data from almost all local authorities about the supported accommodation providers they use. Once we have cleaned and analysed this data, it will give us a real insight into the size and scope of the market. We have also spoken to local authorities and regional consortia to understand how they use supported accommodation, and this is a valuable source of information that we can triangulate with the data collection. We are developing systems and structures to register providers from April 2023 and start inspecting in April 2024. We will consult on these arrangements this year.

Online Education Accreditation Scheme

In early 2021, Ofsted was named as the quality assurance body for a new Online Education Accreditation Scheme. This DfE scheme was established to give online education providers an incentive to meet high standards of education and care for their students.

Our role in the scheme involves carrying out suitability checks on proprietors and accreditation visits to providers. We consulted on proposals about the nature of the suitability checks Ofsted will carry out on proprietors of online providers. We also consulted on our plans to consider several aspects of online educational provision during our accreditation visits to online providers, including the support that providers give to pupils who are moving to another educational provider and their cybersecurity arrangements.

Joint targeted area inspections

JTAIs are carried out by Ofsted, HMICFRS, the CQC, and Her Majesty's Inspectorate of Probation. These inspections look at how well local agencies work together in an area to protect children. We have changed the methodology for JTAIs to make them more proportionate and responsive. We piloted the approach in the autumn and published the new arrangements in March. The new programme is made up of two types of inspection. One type looks at the multi-agency response to identifying initial need and risk. The other is a thematic inspection that looks at a particular cohort of children or type of abuse and neglect. The Solihull JTAI was the only full JTAI we did this year.

MAT summary evaluations

Multi-academy trust (MAT) summary evaluations look at the extent to which a MAT is providing high-quality education and improving pupils' outcomes. In September we updated our guidance on MAT summary evaluations. These updates included:

- increasing the number and range of evaluations that we carry out to give us more insights and to reflect the diversity of the sector
- adjusting the process to better suit the circumstances and size of different MATs
- changing our methodology to reflect the education inspection framework.

We will use what we learn to work with the DfE on its regulatory review. This will look at accountability and regulation of MATs, including how trusts will be held to account through inspection in the future.

Curriculum

This year we published a series of curriculum research reviews to establish an evidence-based conception of subject quality. We published reviews in science, religious education, mathematics, languages, geography, music, history and physical education. These reviews have been accessed almost 300,000 times. Next year we will build on this work by publishing subject reports, which will set out our findings on the quality of subject education in schools. We have also used our research reviews to create subject-specific training modules for inspectors.

Insights and research

We have a unique view of the education and care system, through the hundreds of inspections and regulatory visits we carry out every week. We publish what we learn from these visits and wider research to help fill knowledge gaps in education and social care and to help policymakers, decision-makers and practitioners improve practice.

This year we published more reports than in any of the previous five years. Our findings have been reported widely in the media and have influenced debates in Parliament and discussions in staff rooms. Fifty-five per cent of teachers say they have read an Ofsted research report in the last 12 months.⁶

This year we published:

- 'Review of sexual abuse in schools and colleges': this rapid thematic review revealed how prevalent sexual harassment and online sexual abuse are for children and young people.⁷ It made recommendations for schools and college leaders, multi-agency partners and government. Ofsted and the Independent Schools Inspectorate committed to making changes as a result of the review.
- A series of reports on education recovery in schools, further education and skills, and early years providers: these briefings drew on evidence from inspections during autumn 2021 and spring 2022 that reported on the continued impact of the pandemic and education recovery.⁸

6. 'Ofsted survey of teachers', Ofsted, 2022; <https://www.gov.uk/government/publications/ofsted-survey-of-teachers>.

7. 'Review of sexual abuse in schools and colleges', Ofsted, June 2021; <https://www.gov.uk/government/publications/review-of-sexual-abuse-in-schools-and-colleges/review-of-sexual-abuse-in-schools-and-colleges>.

8. 'Ofsted: education recovery series'; <https://www.gov.uk/government/collections/ofsted-education-recovery-series>.

- ‘Securing good attendance and tackling persistent absence’: this short report looked at different aspects of attendance and how schools tackle the challenges they face.⁹
- ‘Supporting SEND’: this report considered how the needs of children and young people with SEND are met in mainstream schools and how approaches vary between providers.¹⁰
- ‘SEND: old issues, new issues, next steps’: this research summarised the experiences of children and young people with SEND and their families during the pandemic, in the context of the SEND reforms over the past 10 years.¹¹
- ‘Teaching teachers during COVID-19’: this evaluative report looked at how the ITE sector has responded to COVID-19 and how the ITE curriculum has been developed.¹²
- We continued publishing subject research reviews, including on science, religious education, mathematics, languages, geography, music, history and PE.¹³ These reviews outline the research basis for a conception of high-quality subject education that we will use in our future subject reporting.
- ‘Prison education: a review of reading education in prisons’: this study highlighted the systemic barriers that prevent prisoners from receiving effective support to acquire or improve their reading skills.¹⁴ We also published a commentary on what has been happening to adult education in prisons during the pandemic.¹⁵
- ‘How groups of children’s homes work’: this report explored how groups of children’s homes operate and considered how we can ensure that those with the greatest influence over the quality of care and support are held to account and supported to improve.¹⁶
- ‘How early years multiple providers work’: this report explored the roles and responsibilities within early years multiple providers in determining the quality and standards of early years provision.¹⁷ It focused on understanding how multiple providers influence policy and practice across individual nurseries and pre-schools.

9. ‘Securing good attendance and tackling persistent absence’, Ofsted, February 2022; <https://www.gov.uk/government/publications/securing-good-attendance-and-tackling-persistent-absence/securing-good-attendance-and-tackling-persistent-absence>.

10. ‘Supporting SEND’, Ofsted, May 2021; <https://www.gov.uk/government/publications/supporting-send>.

11. ‘SEND: old issues, new issues, next steps’, Ofsted, June 2021; <https://www.gov.uk/government/publications/send-old-issues-new-issues-next-steps>.

12. ‘Teaching teachers during COVID-19’, Ofsted, May 2021; <https://www.gov.uk/government/publications/teaching-teachers-during-covid-19>.

13. ‘Research review series: science’, Ofsted, April 2021; <https://www.gov.uk/government/publications/research-review-series-science>; ‘Research review series: religious education’, Ofsted, May 2021; <https://www.gov.uk/government/publications/research-review-series-religious-education>; ‘Research review series: mathematics’, Ofsted, May 2021; <https://www.gov.uk/government/publications/research-review-series-mathematics>; ‘Research review series: languages’, Ofsted, June 2021; <https://www.gov.uk/government/publications/curriculum-research-review-series-languages>; ‘Research review series: geography’, Ofsted, June 2021; <https://www.gov.uk/government/publications/research-review-series-geography>; ‘Research review series: music’, Ofsted, July 2021; <https://www.gov.uk/government/publications/research-review-series-music>; ‘Research review series: history’, Ofsted, July 2021; <https://www.gov.uk/government/publications/research-review-series-history>; ‘Research review series: PE’, Ofsted, March 2022; <https://www.gov.uk/government/publications/research-review-series-pe>.

14. ‘Prison education: a review of reading education in prisons’, Ofsted, March 2022; <https://www.gov.uk/government/publications/prison-education-a-review-of-reading-education-in-prisons>.

15. ‘Launching our prison education review’, Ofsted, September 2021; <https://www.gov.uk/government/speeches/launching-our-prison-education-review>.

16. ‘How groups of children’s homes work’, Ofsted, October 2021; <https://www.gov.uk/government/publications/how-groups-of-childrens-homes-work>.

17. ‘How early years multiple providers work’, Ofsted, October 2021; <https://www.gov.uk/government/publications/how-early-years-multiple-providers-work>.

- “‘Ready or not’: care leavers’ views of preparing to leave care’: this research looked at the planning and preparation that happen before a young person leaves care. It consolidated our views on care leavers, and we are now considering whether to introduce a separate judgement for care leavers during local authority inspections.¹⁸
- ‘Early help: concepts, policy directions and multi-agency perspectives’: this scoping study, commissioned by Ofsted and carried out by Research in Practice, looked at how responsive early help and local multi-agency partnerships are in meeting the needs of children, young people and their families.¹⁹ The report will inform our JTAs in autumn 2022, where we will be looking at the effectiveness of local areas in reducing risks to children and meeting their needs at the earliest point.

During 2021–22 we have taken forward several projects to link our datasets with those of other organisations. This will improve our knowledge and understanding of education and care.

One example of this was the Grading and Admissions Data Linking project: following the cancellation of exams in summer 2020, we worked with Ofqual, the DfE, the Universities and Colleges Admissions Service (UCAS) and the Office for National Statistics (ONS) to make relevant data available to researchers through the Secure Research Service. As well as combining relevant data for research use into a linked dataset called GRading and Admissions Data for England (GRADE), the joint work included initial high-level analysis and opened up funding opportunities for research fellows.²⁰

We worked with the DfE, Her Majesty’s Revenue and Customs (HMRC), and the Higher Education Funding Council for England to produce datasets that will allow us to view the journey through education of different school cohorts through time. We are exploring the impact of educational journeys on employment outcomes and wages after education is complete.

We set up a joint research project with the ONS to explore the link between education, interactions with children’s social care and imprisonment. By linking data from the DfE, Ofsted and the MoJ, we have a rich data source to explore the impact that education and interactions with children’s social care might have on subsequent offending. We will analyse the dataset and publish findings late in 2022.

Official statistics and management information

In line with our commitments under the Code of Practice for Statistics, we continued to ensure the timely release of more than 70 sets of official statistics, management information and transparency data. These provide detailed breakdowns and narratives of all aspects of our work and include inspection and regulatory outcomes for early years, schools, post-16 education and children’s social care. We also reviewed our statistical publications, engaging with many internal and external users, and published our findings and plans on 10 May 2022.

18. “‘Ready or not’: care leavers’ views of preparing to leave care’, Ofsted, January 2022; <https://www.gov.uk/government/publications/ready-or-not-care-leavers-views-of-preparing-to-leave-care>.

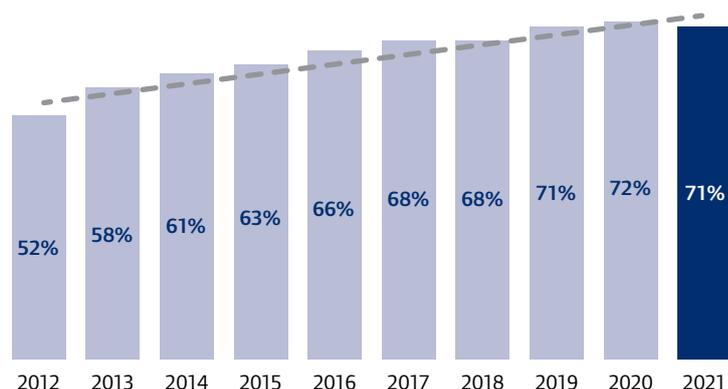
19. ‘Early help: concepts, policy directions and multi-agency perspectives’, Research in Practice, February 2022; <https://www.gov.uk/government/publications/early-help-concepts-policy-directions-and-multi-agency-perspectives>.

20. ‘GRADE data sharing project’, Ofqual, September 2021; <https://www.gov.uk/government/collections/grade-data-sharing-project>; ‘Evaluation of centre assessment grades and grading gaps in summer 2020’, Ofqual, August 2021; <https://www.gov.uk/government/publications/evaluation-of-centreassessment-grades-and-grading-gaps-in-summer-2020>.

Workforce

Our overall staff engagement index, as reported in the 2021 Civil Service People Survey, is 71%, once again making us a leading Civil Service organisation for engagement.

Staff engagement index 2012–21



Recruitment and retention remain a priority. This year the government has asked us to accelerate our inspection cycle in some remits and to take on new work, including new types of inspection, which requires more resources. At the same time, following a period of exceptionally low turnover during the pandemic, we, like many other organisations, are now seeing turnover in some areas of our workforce return to, or go beyond, pre-pandemic levels.

In response to this, we launched several inspector recruitment campaigns, aiming to attract higher numbers of applicants while not reducing our high standards for those we appoint. We have improved the information provided for potential candidates by introducing recruitment webinars, which has seen record numbers applying for our inspector roles.

While we continue to attract and retain good candidates for our administrative, professional and technical roles generally, including strong fields for our Senior Civil Service (SCS) roles, there are areas where we have more difficulty, for example in digital and analytical roles.

Given the need to maintain high levels of recruitment and retention to deliver both our core work and Spending Review commitments, we have developed a longer-term strategy to help recruit and retain people with the right skills and experience.

In addition to our employed inspectors, we also have about 1,650 contracted inspectors, around 1,000 of whom are serving practitioners (that is, they already work in provision inspected by Ofsted). Earlier in the pandemic, many of them did not work for us so that they could focus on their own provision. When COVID-19 rates were high due to the Omicron variant in January 2022, we stopped using serving practitioners altogether so that they could concentrate on their jobs in early years settings, schools and colleges. Many of these inspectors have now started carrying out inspections for us again, and many more people have applied to become contracted inspectors.

Work to recruit new contracted inspectors continues as we build capacity across all remits, particularly in early years. To assist with this, we have improved our website to make it easier to register an interest in becoming a contracted Ofsted Inspector. More information on becoming a contracted Ofsted Inspector is available on www.gov.uk/guidance/how-to-become-a-contracted-ofsted-inspector.

Office working

We were one of the first government departments to set out clear expectations about office working when COVID-19 restrictions were lifted in January 2022. Like many organisations, we have implemented hybrid working for our office-based staff. Hybrid working is an informal flexible working arrangement for an employee to spend part of their time working in the office and part of their time working at home, where this is suitable for their role and they have a suitable home working environment. We set clear expectations that office-based staff should be in the office more than at home. This supports our culture of collaboration, inclusivity, growth and development, with individuals and teams coming together, connecting and providing support for others, to ensure that we are each given the right opportunities to grow and develop in our careers.

Digital and technology

This year we continued to modernise the digital services we provide for the public, providers and staff. We have developed new online forms and content so that parents know who to contact with concerns about schools, including how to complain to Ofsted when appropriate. We also continued to improve our registration platform for childcare providers and children's social care providers and added new feedback functionality to our 'Find an inspection report' site.

We have developed new digital services for inspectors and support staff as we continue our incremental transition from legacy systems. We will be going live with these new services over the next two years. As a forerunner of that work, this year we introduced a new management system for inspections of ITE and built services to support new areas of work for Ofsted, including the Online Education Accreditation Scheme that is being launched in 2022/23.

We also updated pre-inspection data services for inspectors, including building a new service for further education inspections and rebuilding the inspection data summary report we provide for school inspections.

This year we successfully migrated most of our data services to the cloud. We retained a much smaller physical server infrastructure, which we will move away from completely over the next few years. In doing so, we have improved the resilience of our critical services and will have greater capability, agility and scalability to our data modernisation work. The move to the cloud also gives us access to a wide range of new tools for data analysis and reporting, and enhances the Security Operations Centre capability that protects our core systems and data.

Sustainability

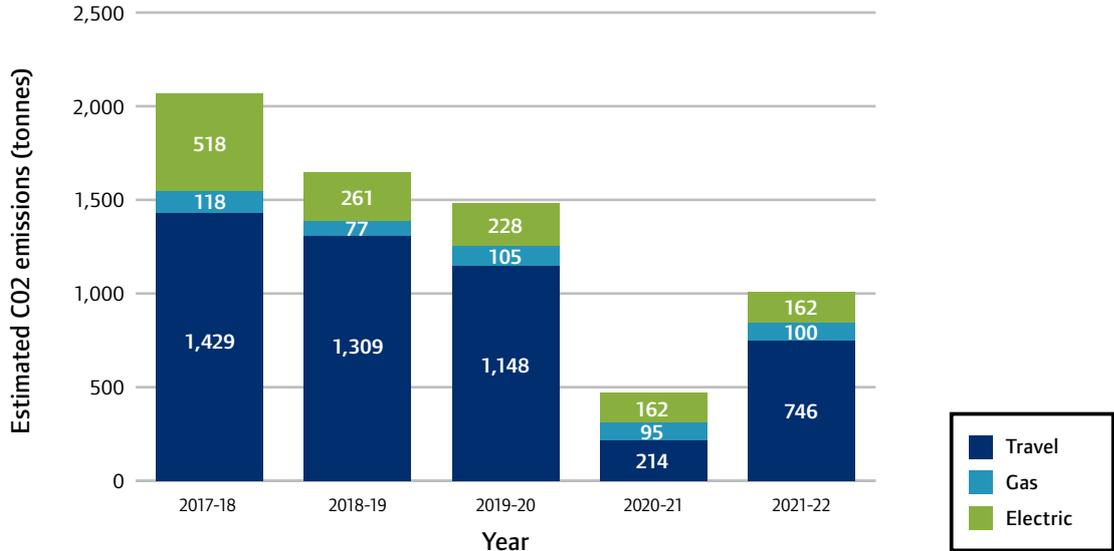
Over the course of our new strategy, we will fulfil government expectations and requirements to reduce our impact on the environment in line with the Greening Government Commitments.

Highlights compared to 2017–18:

- Carbon has reduced by around half overall.
- Overall waste has reduced by approximately 40%.
- Water consumption has reduced by approximately 45%.

The lower levels of consumption seen in 2021–22 have mainly been due to COVID-19, which has led to more staff working remotely and reduced levels of travel. We do not expect this level of reduction to be sustained, as staff have returned to normal working patterns.

1. Mitigating climate change: working towards net zero by 2025



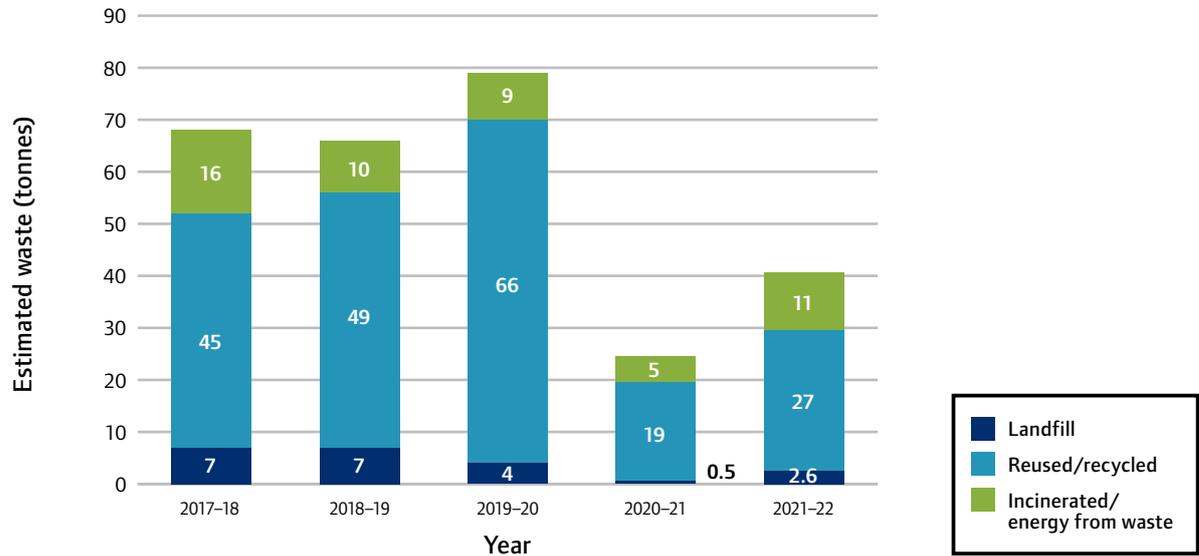
1. Gas and electric consumption only includes data from offices occupying more than a total of 500m2 of floor area or more than 50 FTE staff.
 2. Some figures are estimates based on data provided to Ofsted as a minor occupier of larger, shared properties.

This year, compared with 2017–18, we have reduced our carbon emissions:

- by 59% (buildings – gas and electric)
- by 51% overall (buildings and travel)
- 71% from domestic flights.

Although offices were not at full occupancy for the first half of the year, they still needed to be occupiable and therefore systems operating in buildings such as lifts, ventilation and lighting have still been running.

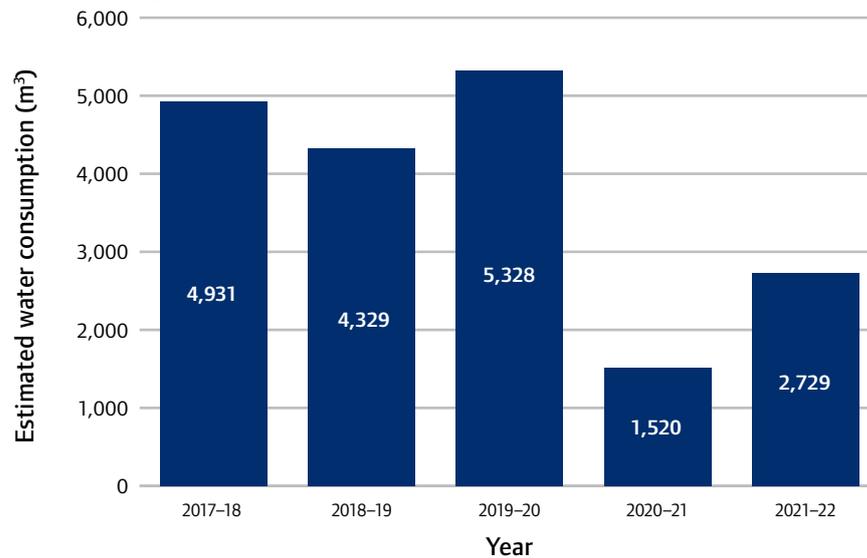
2. Minimising waste and promoting resource efficiency



1. Figures only include data from offices occupying more than a total of 500m² of floor area or more than 50 FTE staff.
2. Some figures are estimates based on data provided to Ofsted as a minor occupier of larger, shared properties.

Waste is one of the clearest indications of the environmental impact of building occupancy. This year, we have reduced the amount of waste generated by approximately 40% overall compared with 2017-18. The proportion of waste generated that was recycled or reused is around 67%, which is similar to what it was in 2017-18 (66%). We do not provide single-use plastics in our offices.

3. Reducing our water use



1. Water consumption only includes data from offices occupying more than a total of 500m² of floor area or more than 50 FTE staff.
2. Some figures are estimates based on data provided to Ofsted as a minor occupier of larger, shared properties.

We have reduced our water consumption by 45% compared with the 2017-18 baseline; again, this is due to most staff working from home for the first part of the year.

We do not currently have information on paper use; but, following COVID-19, staff print less and we have seen a reduction in paper use.

Ofsted does not currently have a biodiversity action plan. We lease office space from other government departments and private landlords in a small number of buildings and do not have any natural capital or landholdings. We published a new strategy in April this year, setting Ofsted's direction until 2027. Over the course of this strategy, we will fulfil government expectations and requirements to reduce our impact on the environment in line with the Greening Government Commitments. This will include considering whether Ofsted needs a climate change adaptation strategy.

4. Continue to buy – sustainable procurement

Wherever possible, we continue to use Crown Commercial Service frameworks when purchasing goods and services. These take full account of sustainability considerations.

5. Reducing environmental impacts from ICT and digital

In ICT and digital services we have:

- moved most of our services into the Azure Cloud in 2021; by 2025, we will be fully cloud-based and will shut down our physical data centres
- increased the use of cloud technology, meaning that there will be no need to buy new server hardware after 2025, and this will break the continued need to refresh hardware on a periodic basis
- recycled old servers wherever it has been feasible to do so.

Financial and non-financial data relating to this section are available in Appendix D.

Looking forward

The 2022 Spending Review

The Spending Review was an opportunity to improve outcomes for children and learners through strengthened inspection and regulation. Inspection is a powerful lever for change and helps to make sure that public money is spent well. The pause in routine inspection because of the pandemic meant that there was less assurance in the system. For example, all schools had gone up to two years longer without inspection than would otherwise have been the case. There are also parts of the system that have limited or no oversight, including supported accommodation for 16- to 17-year-olds and MATs.

Our Spending Review bid was successful and we will receive additional funding to:

- accelerate the inspection cycle so that all schools, colleges and further education and skills providers are inspected by summer 2025
- allow more time for professional dialogue and evidence-gathering by increasing the proportion of graded inspections in education²¹
- assess all colleges on how well they are meeting the skills needs of the economy within the next four years
- regulate supported accommodation for 16- to 17-year-old children in care and care leavers from April 2023.

21. On graded – or section 5 – inspections, inspectors evaluate the school against the full education inspection framework. They give schools a grade for four key judgements (quality of education, behaviour and attitudes, personal development, and leadership and management) and for the school's overall effectiveness. These are different from reduced – or section 8 – inspections, where inspectors focus on a set of specific matters to evaluate whether the school's grade is different from the last inspection.

The government has announced its intention to reduce the size of the Civil Service to 2016 levels over the next three years. Like all government departments, we have been asked to draw up proposals for headcount reductions. We are working through this exercise, which could have implications for the new work agreed at the Spending Review.

Ofsted strategy 2022–27

We published our new strategy in April 2022, which set out our direction for the next five years. It explains how we will continue to be a force for improvement and work on behalf of England’s children and learners.

The strategy draws on analysis of the education and care sectors, and particularly the impact that COVID-19 has had on them. Contributions from staff were sought at an all-staff virtual conference and through staff surveys and team workshops. We also discussed the strategy with practitioners and policymakers in all remits, and we met young people to listen to their experiences and stay true to our value of putting children and learners first.

The strategy comes at a timely point when both education and social care are under great pressure, grappling with the effects of the pandemic, lockdowns and restrictions on children and young people: their education, their social development, their physical and mental health, and their welfare. It puts us in a strong position to continue our vital work for children and learners, to truly give them the best start in life and to help prepare each one for wherever their life may lead.

Our strategy has a guiding principle to be a force for improvement through intelligent, responsible and focused inspection, regulation and insights. We added ‘insights’ to our guiding principle this year to recognise the importance of this work in helping the system to improve. We are in a unique position to see what is happening on the ground, and we use that intelligence to identify trends, highlight issues that need addressing and share good practice that others can learn from. We are required by law to advise the Secretary of State on the state of education and children’s social care and to report annually to Parliament.

Our strategy has four values:

- **Children and learners first.** Our focus is on improving outcomes for children and learners. While we always consider the views of professionals and policymakers, the defining test for Ofsted is whether our work helps to keep children safe and allows learners to reach their full potential. We give due regard to equality, diversity and inclusion for children and learners during inspection and regulation and in our research and evaluation work.
- **Independent.** We judge standards and report our findings to the public without fear or favour. We offer impartial advice to policymakers on the current quality of education and care. And we use our expertise to advise on how to improve provision at the system level.
- **Accountable and transparent.** We report to Parliament on how we carry out our inspection and regulatory functions and how we spend taxpayers’ money. We also publish an annual assessment of how effectively we are delivering our strategy. We are transparent: our approach to regulation and inspection is open to scrutiny.
- **Evidence-led.** Our policies, frameworks, judgements and insights are rooted in evidence. We are proportionate and responsible in how we use our voice, providing the evidence to highlight significant issues.

We have eight strategic priorities that cover the breadth of the work we do. We cannot fully know what the next five years hold, but the strategy sets our direction and gives us a framework to take informed decisions and make sure that we can have an even greater impact.

Our strategic priorities are:

- inspections that raise standards
- right-touch regulation
- making the most of our insights
- the best start in life
- keeping children safe
- keeping pace with sector changes
- accessible and engaged
- a skilled workforce.



Corporate performance

Efficiency of delivery

Statutory targets

In normal years, we have legal duties to inspect specified institutions within certain time frames. As routine inspection was suspended for some of the year, there were different requirements this year.

There were no statutory requirements for education inspections.

In children's social care, a clause was added to the regulations to allow us meet our statutory obligations 'as far as is reasonably practicable'. We met our statutory obligations and only had to rely on the 'reasonably practicable' clause twice:

- A second inspection of a children's home was scheduled for the last week of the regulatory year, but could not be carried out during that week because all the children living in the home had COVID-19. The home has now been inspected.
- We did not inspect any of the 15 residential holiday schemes for disabled children that were registered. When we restarted our routine inspections, we decided that we would only inspect residential holiday schemes for disabled children if we had concerns about them. This was because most of these services have not operated since 2019 and we wanted to prioritise our resources where they could have most impact. We will inspect them all during the new inspection year that started on 1 April 2022.

We met our statutory requirement to inspect 10% of providers on the childcare register.

Internal targets

Each year we set internal targets for the number of inspections and visits to be carried out.

Number of inspections and visits, including delivery against internal targets

Remit	Total inspections in plan	Year-end total	% of plan delivered
State-funded schools	4,015	3,677	92%
Independent education	999	714	71%
Further education and skills	758	719	95%
Area SEND	54	52	96%
Initial teacher education	64	48	75%
Early education	20,120	12,089	60%
Social care regulatory	4,744	4,455	94%
Social care ILACS	137	140	102%

Our ability to meet these targets was affected by COVID-19. Inspector capacity has been reduced by sickness and periods of isolation.

In education, inspections were paused temporarily in December and our decision not to use part-time serving practitioners²² in January and February reduced our capacity. In addition, these part-time inspectors have not fully returned to the levels of inspection that we routinely expect, as they have prioritised working in their own institutions.

In early years, as explained on page 13, fewer contracted inspectors returned to work for us than expected and we had a large number of inspections to ‘catch up’ with. We have a programme in place to catch up, by the end of September 2022, on the inspections not completed during the pandemic.

Funding

By the end of the current Spending Review period (2024–25), Ofsted’s funding is expected to be at the same level as 2010–11 in cash terms, although at least 25% lower in real terms. Ofsted has also been asked to do significantly more during that period. The additional funding allocated from 2022–23 is specifically to fund new activities agreed as part of the Spending Review, mainly to accelerate the inspection of schools and further education and skills providers and to register and inspect supported accommodation providers.

Our income will also increase because we will be carrying out additional commissioned inspection and research activity on behalf of the DfE.

The net budget²³ increase in the years following 2021–22 is due to budget exchange²⁴ from 2021–22 into 2022–23 and additional funding from HM Treasury to cover the increase in the National Insurance and Social Care levy paid by employers, and a partial contribution towards the impact of inflation.



22. Part-time serving practitioners are contracted inspectors who work in a provider, for example a school, college or nursery.

23. Income and Spending Review.

24. Budget exchange allows departments to surrender up to 2% of their budget in one year in return for a reciprocal budget increase in the following year.

Gross budget £m



1. All figures exclude depreciation and annually managed expenditure budgets. For 2021-22 they show the position after the Supplementary Estimate, and for subsequent years they are based on the Spending Review settlement.
2. For clarity, the figures used in the graph for 'total income' are based on 'expected income' and not the limit in the Estimates. The Estimates figures are significantly overstated in some years because they were set before we finalised agreements with other government departments on the range and level of services we would provide for them. Decisions were made after the Estimates figures were set, which meant that the activity would no longer take place, or that it would take place but at a reduced level.

Spend by remit

	Gross cost* (millions) 2021-22	Proportion of total expenditure %	Total public spending in England (millions) 2020-21**	Ofsted spending as proportion of total public spending %
Schools (Ofsted costs include schools, initial teacher education, independent schools, area SEND)	63	40%	48,455	0.1%
Further education and skills	20	12%	9,548	0.2%
Social care	40	25%	10,951	0.4%
Early years	36	23%	3,649	1.0%
Total	159	100%	72,603	0.2%

* Total costs for each remit are made up of direct inspection and other costs, plus apportioned operational and corporate costs. Figures may not sum due to rounding.

** Estimated based on publicly available data from 2020-21.

Responding to complaints and concerns

Most complaints about our work are from recently inspected providers that challenge the inspection process and the judgements awarded; however, this is only a small proportion of all the regulatory and inspection work that we carry out. We receive comparatively few formal complaints because all recently inspected providers have the opportunity to comment on the inspection process and review their draft report before it is finalised. This allows us to resolve or clarify most queries without providers needing to submit a complaint. The small number of complaints in 2020–21 largely reflects the fact that we did very few inspections that resulted in a new grade because of the pandemic.

Complaints

Period	Inspection/activities*	Complaints received**	Proportion of total	Proportion of closed complaints responded to within 30 days***
2021–22	30,609	635	2.07%	97%
2020–21	20,096	67	0.30%	90%
2019–20	35,763	890	2.50%	93%

* The total inspections/activities includes additional regulatory activity that is not included in Ofsted's Corporate Plan. Its inclusion here is because this additional activity can be complained about.

** Total complaints received data includes all complaints where inspections/activities were carried out in 2021–22 and where the complaint was also received in 2021–22.

*** Where a complaint response was sent in 2021–22, regardless of when the complaint was received.

We received 454 complaints this year from providers following an inspection. In just under half of these (221), the provider had been 'downgraded' compared with their previous inspection outcome (including when the provider had changed status or had closed and been replaced by new provision on the same site). This includes complaints from some previously outstanding schools that were inspected this year for the first time in many years.

Of the 718 complaints closed this year, 17% had an aspect upheld or partially upheld. In most complaints that are upheld, something in the inspection process could have been better, or a small change is required to the report. When a complaint is upheld, we take prompt action to put things right. After complaint investigations closed this year, we changed the overall effectiveness judgement for three inspections. We also deemed 10 inspections to be incomplete, which led to inspectors carrying out a further visit to gather additional evidence. This continues to represent a very small proportion of all our inspection and regulatory activities.

There was an increase in the timeliness of responses to complaints this year, which went up to 97% within target.

The Independent Complaints Adjudication Service for Ofsted (ICASO) reviews how we handle and respond to complaints. Its 2021 annual report explained how it had received only six complaints that year, a marked reduction from the 17 received the previous year. The ICASO annual report also stated:

'Although we were only looking at a very small proportion of Ofsted's overall caseload, it is worth noting that we have not seen any change in the nature or pattern of individual complaints notwithstanding the operational changes that had to be made in the context of the COVID-19 situation. Furthermore, and for the first time in our experience of many years of working with Ofsted, we did not uphold any of the complaints received, and our adjudicators made no recommendations to improve Ofsted's systems and policies.'

In summary, our experience of working with the Ofsted team has been very positive. We recognise that it was a difficult year for all but, from our perspective at least, all the signs are that Ofsted was able to maintain its high standards of complaints handling. This is to the credit of all staff involved in that process.'

If a complainant remains dissatisfied after their case is considered by the ICASO, the final point of escalation is the Parliamentary and Health Service Ombudsman. The Ombudsman reported on one complaint about Ofsted this year, linked to two inspections of a provider in 2017.

Equality objectives progress report

We are required to publish equality objectives and are pleased to report our progress below. We have two equality objectives:²⁵

- Ofsted will give due regard to equality, diversity and inclusion during inspection and in its research and evaluation work
- Ofsted will promote equal opportunities for its entire workforce, including staff and directly contracted Ofsted Inspectors, tackling bullying and discrimination whenever it occurs.

The objectives relate to how we inspect and regulate, and to our practice as an employer and contractor. We do not report here on what we found in our inspection, regulatory and research work: this is in the Chief Inspector's Annual Reports.

Objective 1: Ofsted will give due regard to equality, diversity and inclusion during inspection and in its research and evaluation work.

In making judgements, inspectors consider whether those we inspect comply with the relevant duties set out in the Equality Act 2010 and, where applicable, the extent to which they promote British values and promote equality and diversity. Where meaningful, we comment on outcomes for children and learners with relevant protected characteristics and we continue our programme of SEND inspections.

Actions

- Be clear in all published inspection frameworks that inspectors will take the above factors into account.
- Provide training for inspectors on equality-related issues and on how to assess them during inspections.
- Ensure that we consider those with protected characteristics when setting and carrying out our research and analysis programmes.

This year we have:

- updated the education inspection framework to reflect statutory changes to relationships, sex and health education (RSHE) and monitored how this is being followed in inspections
- updated the grade descriptors for early years inspections to reflect revisions to the Public Sector Equality Duty in the early years foundation stage and monitored whether inspectors are consistent, including when reporting on equalities
- reviewed what we have learned about the experiences of children and young people with SEND in education and used this to inform inspector training and the development of the new area SEND inspection framework
- developed the new ECF and NPQ inspection framework and handbook and published an equalities impact assessment alongside it
- run equality refresher training for education inspectors ahead of the restart of full education inspection framework inspections; some remits provided additional training on specific areas; for example, school inspectors focused on RSHE and SEND in mainstream schools
- introduced disability training as part of induction training for all new social care regulatory inspectors.

25. 'Ofsted's equality objectives 2020 to 2022', Ofsted, October 2020 (updated March 2022); <https://www.gov.uk/government/publications/ofsteds-equality-objectives-2020-to-2022>.

In our research and analysis work this year, we have published:

- research about groups of homes that provide short breaks or respite-only care for children with severe disabilities
- research on why children go into children's homes, which included consideration of the personal characteristics of the children
- small-scale research on how the needs of children and young people with SEND are met in mainstream schools
- a short report on securing good attendance and tackling persistent absence in schools, which included findings on SEND
- a rapid review of sexual abuse in schools and colleges, which found that it was commonplace, particularly for girls
- a commentary on what good practice looks like in relation to teaching about sex, sexual orientation and gender reassignment in schools
- a report on care leavers' views on preparing to leave care, which included findings on how care leavers felt that their identity, for example their religion or ethnic group, had been considered in their plans for leaving care
- a commentary on what remote education looked like for adults in prisons during the pandemic, which found that it was particularly challenging for the high proportion of prisoners with low levels of literacy or SEND, or who speak English as an additional language
- a series of curriculum research reviews on the national curriculum subjects, some of which looked at inclusion of pupils with SEND in the curriculum and access to curriculum subjects by protected characteristics, such as sex.



Objective two: Ofsted will promote equal opportunities for its entire workforce, including staff and directly contracted Ofsted Inspectors, tackling bullying and discrimination whenever they occur.

This objective means that we continue to act to increase the diversity of our workforce, including the Senior Civil Service. We tackle unfair treatment and inappropriate behaviour to reduce the proportion of our staff, particularly those with protected characteristics, who experience discrimination, bullying or harassment.

Actions

- Limit unconscious bias in our recruitment practices by continuing to use blind sifting for all recruitment.
- Advertise all SCS posts externally and use social media to raise awareness of our vacancies among candidates from under-represented groups.
- Offer targeted developmental activity for employees from under-represented groups who have been identified as having the potential and aspiration to gain promotion to the next grade.
- Offer development opportunities, such as shadowing inspections, to senior leaders and future senior leaders, targeting groups that are under-represented in our inspector workforce.
- Increase awareness of equality issues through communications and training.
- Ensure that all new employees complete our equalities training.
- Ensure that Ofsted's anti-bullying, harassment and discrimination group provides insight for senior leaders on how to tackle bullying, harassment and discrimination, when these occur.

This year we have completed all the actions listed above. We reviewed and updated our mandatory equalities training to make sure that it took account of the latest government guidance. Our 2021 People Survey results indicate low levels of discrimination (6%) and bullying and harassment (6%). The organisation has a clear policy for those who experience bullying, discrimination and harassment.

We have five employee networks that support our equalities work. This year the networks established a cross-network mentoring programme to support career development for their members. This programme ran a successful first cohort and began leading a second cohort.

Ofsted has been a Civil Service Disability Confident Leader since 2019. This year we have worked with our Disability at Work network to self-assess and prepare for reaccreditation in April 2022.

In line with legislation, we published our gender pay gap report.²⁶ The mean gender pay gap and mean gender bonus pay gap have continued to reduce. The mean gender pay gap is 3.6% in favour of men, which is a reduction of 1.2% since 2020. The median gender pay gap is 8% in favour of women. The median bonus gender pay gap is zero, which is a reduction of 14.3% since 2020. The mean bonus gender pay gap remains in favour of men at 2.1%, which is a reduction of 12.1% since 2020.

More information about our staff profile can be found at Appendix C.

26. 'Ofsted: gender pay gap report and data 2021', Ofsted, January 2022; <https://www.gov.uk/government/publications/ofsted-gender-pay-gap-report-and-data-2021/ofsted-gender-pay-gap-report-and-data-2021>.

Performance analysis

Performance against our strategy

Five years ago we published a strategy that set out how we would be a force for improvement through intelligent, responsible and focused inspection and regulation. The strategy had 13 workstreams to help us achieve our aim and was underpinned by three core values: children and students first; independence; and accountability and transparency.

Five years on, we have achieved a huge amount. We have developed a new inspection framework for education that puts a greater emphasis on what children are learning. Our large-scale research programme on curriculum has influenced teachers' and leaders' practice. We have mitigated some of the undesirable incentives of inspection by reducing the weight on performance measures and by shining a light on issues such as 'off-rolling'. We have made reports shorter and clearer so that parents and others can understand what it is like for a child or learner in a particular setting.

In social care, we have introduced a more risk-based and proportionate approach to regulation and inspection to help keep children safer and catch providers before they fall. We have highlighted the issue of unregistered children's homes and worked with the family courts and local authorities to raise awareness of the issue. We have carried out an internal review of how we regulate to ensure that our approach keeps pace with best practice.

Alongside the strategy, we published a set of metrics to help measure our performance. The metrics help us to understand our overall direction and stretch ourselves to where we want to be. They are not targets, and we do not treat them as such. Some of the metrics are based on perceptions and are a proxy for the underlying aim. Perceptions are slow and difficult to shift; therefore, we do not expect to see significant change year on year.

In the next sections, we look at our performance against each of the strategy workstreams, including analysis of the metrics. We do not have data for some of the metrics during the pandemic, either because our routine work was suspended or because we did not think it appropriate to collect the data when providers needed to prioritise their COVID-19 response. In some areas, we have changed the metric because it was no longer the right thing to measure. Where this is the case, we have explained it in the analysis.



Valid measures

We will work to improve the validity of our inspections so that our judgements provide the best possible measure of the quality of education, training or care within an institution.

We published several research studies on reliability and validity and used what we learned to develop new frameworks. We implemented the education inspection framework in 2019, which was grounded in the evidence on educational effectiveness and had a clear underlying concept of educational quality. And we reviewed our approach to inspecting local authority children’s services and found that the sector thinks that inspection is rigorous but fair.

Our post-inspection surveys have shown consistently that over 90% of leaders think that their recent inspection was fair and two thirds of teachers think that their last inspection was a fair and accurate assessment of the strengths and weaknesses of their school.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
Providers believe that their latest inspection was a fair and accurate assessment of the strengths and weaknesses of their provision.	% of school teachers who agree that the following best describes their latest inspection: ‘It was a fair and accurate assessment of the strengths and weaknesses of my school.’	57	62	61	No survey	No survey	66



A skilled workforce

We will ensure that we have the right balance of Her Majesty’s Inspectors (HMI) and serving practitioners. We will ensure that HMI expertise is used where it adds most value and the job is rewarding. We will continue to create an environment that recognises diversity as a strength. All inspectors will receive high-quality training grounded in the latest research.

Our workforce has told us that the most important part of the strategy is our value of putting children and young people first. They work for Ofsted because they want to improve lives. Our people are our greatest asset and we invest in making Ofsted a great place to work.

We have invested in learning and development to make sure that staff have the knowledge and skills they need to do their job well. We made sure that education inspectors were trained thoroughly to prepare them for the new education inspection framework, and evaluations showed that over 95% of inspectors agreed or strongly agreed that the objectives of the training were achieved. In social care, inspectors have been trained on the work of the family courts, social care models of best practice, safeguarding in closed cultures and peer-on-peer abuse. We have put in place new leadership development programmes from aspiring managers to senior staff.

All our research projects involve inspectors, which means that we not only draw on their insights but also increase the interest and variety of their work.

Our Civil Service People Survey scores have consistently been high and above the Civil Service average. Since the strategy was introduced, the percentage of employed inspectors who agree that they get the information they need to do their job well has increased by 10 percentage points.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
Our inspectors have the information they need to do their job effectively.	% of employed inspectors who agree with the statement: 'I get the information I need to do my job well.'	75	82	82	79	88	85

Informative grading

We will make sure that our grading system (outstanding to inadequate) encourages improvement and does not create undesirable incentives. We are planning to carry out research into the impact of grading and seek to better understand what factors influence grade profiles and key judgements.

We looked into the impact of grading, including the arguments for an above-/below-the-line system instead. We concluded that the arguments for changing the grading system did not outweigh the arguments for keeping it.

Our post-inspection survey shows that over 90% of leaders in all remits agree that the inspection will help them to improve their provision.

Measure	Headline indicator*	2017 baseline	2018	2019	2020	2021	2022**
Providers know what action to take following an inspection.	% of social care providers who, following a requires improvement or inadequate inspection grade, agree with the statement: 'The outcome of the inspection process will help you to improve the services you offer to children, young people, parents, carers and other service users.'	91	91	90	89	No data	90

*Data taken from Ofsted's post inspection surveys.

**In 2022, the question changed slightly to: 'The inspection will help you to improve the services you offer to children, young people, parents, carers and other service users.' Data is available here: www.gov.uk/government/collections/responses-to-ofsteds-post-inspection-surveys.

Aggregating insights

We will use our bird’s-eye view of the education, training and care systems to aggregate insights. We will use these insights to publish survey and research reports on the impact of policy and practice, identifying negative trends and showcasing what works to improve outcomes.

The research reports we have published over the last five years have had a significant influence on policy and practice. Our large-scale research programme on the curriculum has influenced how schools plan and teach the curriculum. Our study on knife crime in London influenced government, city and Parliamentary responses to the issue. We carried out a rapid review of sexual abuse in schools and colleges. Our conclusion, that sexual harassment is commonplace in schools and colleges, has led to a national discussion about how to tackle the issue, with the government accepting all of our recommendations.

We introduced electronic evidence-gathering in education inspections to make it easier to aggregate insights. We have developed partnerships with other organisations to allow us to link our datasets and share research. For example, we carried out research with the Turing Institute to explore how data can help us to identify independent fostering agencies that are likely to be judged requires improvement or inadequate at their next inspection.

Measure	Headline indicator	2017 ('000)	2018 ('000)	2019 ('000)	2020 ('000)	2021 ('000)	2022 ('000)
Our research has an influence on policy and practice.	Number of page views (including repeats) of Ofsted research.	122	226	189	184	107	673



Responsive and engaged

We will continue to be clear about what inspections do and do not look at. We will be willing to address criticisms and take on board feedback. We will build on the strength of our regional model to build on strong local relationships.

We meet stakeholders regularly to gather feedback about our work and to discuss how we can improve. This year, we worked very closely with sector representatives to make sure that we adapted our approach to the changing circumstances on the ground.

We have evaluated frameworks to see how they are working and whether they are being implemented as intended. We are open when we find issues; for example, our ILACS implementation review recognised the challenges around short inspections.

We have been clear about what inspectors do and do not look for, by publishing blogs, meeting stakeholder groups to discuss concerns, quickly responding to myths arising on social media and being clear in speeches and in the media.

Our regional model enables us to develop strong local relationships, and we strengthened this by moving early years inspections to the regions in January 2019.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We engage with stakeholders and offer opportunities for feedback and challenge.	Number of speaking engagements delivered by Ofsted staff, including webinars.	162	243	455	501	261	405



Understanding the consequences

**We will work to mitigate the undesirable incentives of inspection.
We will ensure that our judgements and grade profiles are not barriers to professionals working in challenging circumstances.**

We no longer look at the school’s internal data during education inspections, so that leaders can use data in a way that works for them and improves outcomes for children, rather than ‘because Ofsted wants it’. We have also reduced the weight on performance measures in the education inspection framework and focused more on the substance of education, the curriculum. We recognised that in 2017 the proportion of school teachers who agreed with the statement ‘Ofsted inspection introduced unacceptable levels of burden into the system’ was high and these changes to inspection were made in part to reduce unnecessary burdens.

We have looked into the issue of ‘off-rolling’. This is the practice of removing a pupil from the school roll without using a permanent exclusion, when the removal is primarily in the best interests of the school, rather than the best interests of the pupil. We provide inspectors with data about pupil movements before inspections to help mitigate this undesirable practice.

As part of our inspections of local authority children’s services, we evaluate children’s services’ use of the pre-proceedings stage of the Public Law Outline.²⁷ Our involvement in implementing the Public Law Working Group’s recommendations led us to question whether our evaluation focused too much on timely decision-making to progress children into proceedings and not enough on the use of pre-proceedings to safely divert children from proceedings.²⁸ Our reporting has shifted to reflect the importance of using pre-proceedings to enable children to remain with their family where this is in their best interests.

We stopped carrying out teacher surveys earlier on in the pandemic, because we did not think it was appropriate to do this when teachers were working in challenging circumstances and trying to mitigate the impact of the pandemic on pupils’ learning. We took the opportunity to look again at our indicators and developed a new one so that we could understand whether inspection was making it more difficult for professionals to work in challenging circumstances. Just under a quarter of teachers told us that the Ofsted grade would be a deciding factor in whether they apply to a school.²⁹ We will track whether this changes in the next five-year strategic period.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We reduce the unintended consequences of inspection.	% of school teachers who agree with the statement: ‘Ofsted inspection introduced unacceptable levels of burden into the system.’	86	82	84	No data	No data	No data

Measure	Headline indicator	2022 baseline
We reduce the unintended consequences of inspection.	% of school teachers who said the Ofsted grade would be a deciding factor in whether they apply to a school.	24

27. The Public Law Outline sets out local authorities’ duties when they are considering whether to take a case to court to ask for a Care Order to take a child into care or for a Supervision Order to be made.

28. The President of the Family Division’s Public Law Working Group was formed, before the COVID-19 pandemic, to investigate the steep rise in public law cases coming to the family court and to offer recommendations for improving the system’s ability to address the needs of the children and families at the centre of these important cases.

29. ‘Ofsted survey of teachers’, Ofsted, 2022; <https://www.gov.uk/government/publications/ofsted-survey-of-teachers>.

Responsible intervention

We will use our voice as an inspectorate only when it will lead to improvements in education and care for children, young people and adult students. We will ensure that the effect of our inspections is proportionate and does not impose undue burdens.

We have introduced a more proportionate ILACS framework that uses a wider range of tools to identify deteriorating or weaker practice earlier and to help catch local authorities before they fall.

We made sure that our return to inspection after the pause caused by COVID-19 was proportionate and took account of the COVID-19 context.

Ofsted's voice has a major impact, and if it is misused or seen to intervene too readily, this blunts our ability to use it as a force for improvement. We have resisted calls to comment on issues where we do not have clear evidence from research or inspection; for example, we have not been drawn into debates about school funding where we do not have strong evidence.

We spend more money inspecting and regulating early years, as a proportion of the total government expenditure, than we do in schools.³⁰ We set an ambition in 2017 to spend a more proportionate amount across all remits, which in practice would see the ratio between schools and early years increase because of the different sizes of the sectors. The data below shows that we have been successful in achieving this; however, the 2021–22 data is slightly distorted because of the issues with early years delivery explained in the performance report section.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We spend a more proportionate amount across all our remits per child.	Ratio between the amount of budget we spend inspecting schools compared with inspecting and regulating early years.	1:0.75	1:0.69	1:0.64	1:0.62	No data	1:0.57

30. See 'Spend by remit' table, page 28.

Addressing our audience

We will make sure that the reports, letters and other information from our inspections are accessible to the different audiences who use them. We will make our reports more understandable for parents and other users. We will take advantage of digital channels to develop new ways of presenting information.

We launched a new inspection reports site and changed the format of our reports to present information in a way that is as useful as possible to parents.

We have developed a new registration system for childcare and children’s social care providers that is more user-friendly.

The percentage of parents who agree that Ofsted is a valuable source of information about education has fallen this year. This is not surprising, as we have not been carrying out routine inspections during the pandemic.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We provide more useful information to parents.	% of parents who agree with the statement: ‘Ofsted is a valuable source of information about education.’	69	67	68	69	68	62



Prioritising inspection

We will prioritise inspecting providers that are less than good or are at risk of becoming less than good. However, we will also observe more outstanding providers so that others can learn from them.

For most of the last five years, we have been prevented by law from routinely inspecting outstanding education providers. We used a risk-based approach to inspect those that we could. We called for the government to remove the exemption, and it did so in 2020. As soon as we were able to, we began inspecting these providers and they are now once again subject to routine inspections. We expect this indicator to now fall. All outstanding providers will be inspected by 1 August 2025.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We inspect and observe more outstanding practice.	Average years since last inspection among the 10% of outstanding schools with the longest gap between inspections.	10	11	12	13	14	14

Keeping children safe

We will have an unrelenting focus on institutions in which we believe young people are at risk. We will work with others to clamp down on illegal unregistered schools and tackle extremism and radicalisation.

Over the last five years, we have brought the issue of illegal schools to the public eye and we have issued 119 warning notices and completed six prosecutions. We have called for more powers to investigate illegal schools, and in May 2022 the DfE set out proposals to introduce legislation to strengthen our powers.

We have highlighted the issue of children living in unregistered children's homes. We have worked with local authorities to help them understand the kind of children's homes that need to register with Ofsted, and we have worked with the family courts so that if a child is placed in an unregistered home there is an explicit expectation that the home must register. We have also issued over 450 warning letters to providers operating unregistered children's homes. We have raised the issue that independent and semi-independent provision for older children is currently unregulated, and we are pleased that the government has asked Ofsted to register and inspect these providers.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
Our work leads to more providers complying with the law.	Number of warning notices issued to illegal schools.	31	24	33	23	13	26

Keeping pace

Our inspection practice must keep pace with changes in education and care structures. We will work with the DfE to develop new approaches to scrutinising MATs and children’s services.

We have carried out an internal review of the way we regulate to ensure that we are keeping pace with best practice and changes in the sectors we regulate. We are constrained by law in what we can change, and we have made the case to the DfE for change where needed.

Most schools are now part of a MAT and often decisions that would previously have been taken at a school level, for example about the curriculum, are now taken by trust leaders. We are not able to inspect MATs, but we have introduced MAT summary evaluations to explore the extent to which the MAT is delivering a high-quality education and improving pupils’ achievement.

This aim was measured by the percentage of further education and skills reports that comment meaningfully on the quality of provision delivered by subcontractors. Under the education inspection framework, shorter, clearer reports were introduced, meaning this measure was no longer valid.

In our new strategy, we will measure the proportion of MAT leaders who agree that their MAT summary evaluation will help them to improve.

Measure	Headline indicator	2017 baseline	2018	2019	2020*	2021	2022
We adapt inspection modes to serve a changing education and care landscape.	% of further education and skills reports that comment meaningfully on the quality of provision delivered by subcontractors (for those providers with subcontractor models).	77	77	89	86	N/A	N/A

*Only includes inspections between 1 April 2019 and 31 August 2019. The education inspection framework was introduced from 1 September 2019.

Pupil groups

We will highlight group underperformance and what works in tackling it, ensuring that whole-school approaches are considered alongside targeted intervention. We will provide better inspector training on data interpretation.

We have reinforced training for inspectors on how to interpret data, particularly on not drawing conclusions from small groups. We have removed from pre-inspection briefings any data about sub-groups that is not statistically significant.

We have continued to highlight the underperformance of specific groups at a national level in HMCI's Annual Report to Parliament and other research reports.

Measure	Headline indicator	2017 baseline	2018	2019	2020	2021	2022
We will comment more on standards for groups of children at a national level.	Number of relevant groups with 'protected characteristics', who speak English as an additional language or who are disadvantaged for whom our research or national reports have commented on outcomes in the education and care system.	5	5	6	4	8	8



Right framework

We will remove from our frameworks any measures that do not genuinely assess quality of education, training and care. New frameworks will tackle a compliance culture in schools and any practice that discourages innovation.

All our new frameworks have been developed by drawing on rigorous evidence and have been piloted to ensure that they genuinely assess quality. We have developed new frameworks for local authorities, education providers and ITE, and we are currently developing a new framework for area SEND inspections.

Measure	Headline indicator*	2017 baseline	2018	2019	2020	2021	2022
We are increasingly seen as a force for improvement.	% of school teachers who strongly agree or agree that 'Ofsted is a force for improvement in England's education system.'	19	24	20	No data	No data	New indicator

*Data taken from responses to Ofsted's post-inspection survey. Data available here: <https://www.gov.uk/government/collections/responses-to-ofsteds-post-inspection-surveys>.

We stopped carrying out teacher surveys earlier on in the pandemic, because we did not think it was appropriate to do this when teachers were working in challenging circumstances and trying to mitigate the impact of the pandemic on pupils' learning. We took the opportunity to look again at our indicators and developed a new one to assess more closely whether inspection helps providers to improve.

Measure	Headline indicator	2022 baseline
We are increasingly seen as a force for improvement.	% of school leaders who agree that their inspection will help them to improve their provision further.	93

ACCOUNTABILITY REPORT



Corporate governance report 2021–22

1. The corporate governance report contains three sections:
 - the directors' report
 - the statement of Accounting Officer's responsibilities
 - the governance statement.
2. It describes Ofsted's structure and governance framework and includes information about board members' and directors' significant interests. It describes the Accounting Officer's responsibilities and how they have been assured. It also describes risk management arrangements.
3. The report covers the period from 1 April 2021 to 31 March 2022. It also includes information about some significant matters up until the date of publication.

Directors' report

4. Ofsted is a non-ministerial government department linked to, but independent of, the DfE.
5. Ofsted is led by HMCI, Amanda Spielman, who was reappointed for a further two-year term to 31 December 2023, following her initial five-year term. HMCI is responsible for the inspection and regulation of services for children and learners and is accountable to Parliament. Her duties are set out in Ofsted's corporate governance framework.

Executive leadership team

6. The executive leadership team consists of:
 - Amanda Spielman, HMCI
 - Matthew Coffey CB, Chief Operating Officer
 - Andrew Cook, Regional Director, North West and West Midlands (appointed November 2021, previously South West and North West)
 - Katrina Gueli, Regional Director, East Midlands
 - Matthew Purves, Regional Director, South East (appointed January 2022)
 - James McNeillie, Regional Director, South West (appointed November 2021, previously acting Regional Director, West Midlands)
 - Mike Sheridan, Regional Director, London
 - Chris Jones, Director, Strategy and Engagement (appointed January 2022, previously Director, Corporate Strategy)
 - Alex Jones, Director, Insights and Research (appointed March 2022)
 - Chris Russell, National Director, Education (appointed September 2021, previously Regional Director, South East)
 - Karen Shepperson, Director, People and Operations
 - Yvette Stanley, National Director, Regulation and Social Care
 - Louise Grainger, Director, Finance, Planning and Commercial
 - Neil Greenwood, Director, Digital and Information
 - Stephen Long, Acting Regional Director, South East (1 September 2021 to 30 January 2022)
 - Lorna Fitzjohn, Regional Director, East of England (retired April 2022)
 - Emma Ing, Regional Director, North East, Yorkshire and Humber (retired March 2022)
 - Sean Harford, National Director, Education (retired 31 August 2021)
 - Bradley Simmons, Regional Director, South West (left June 2021)

7. Members of the leadership team had the following interests in 2021–22:

Name	Organisation	Role	Organisation type
Amanda Spielman	Victoria and Albert Museum	Trustee	Museum
Matthew Coffey	Institute of Regulation	Director and Trustee	Charitable trust
Louise Grainger	King's School	Governor	School
Alex Jones	Nonsuch Primary School	Governor	School
Chris Jones	St Matthias School	Governor	School
Mike Sheridan	MK Dons Sports and Education Trust	Trustee	Charity
Yvette Stanley	Nuffield Foundation	Panel member	Charitable trust
	NCFE Advisory Panel on Social Care Skills	Panel member	Charity
	What Works Centre	Panel member	Charity
	National Leadership College Board	Board member	Government department
	Kinship	Trustee	Charity

Board

8. The board had the following membership during the year:

Name	Notes	Term end
Dame Christine Ryan	Chair	August 2023
Amanda Spielman	HMCI	–
John Cridland CBE	–	July 2022
Julie Kirkbride	–	July 2022
Sir Hamid Patel CBE	Senior board member from April 2021	July 2025
Pamela Scriven QC	–	Term ended January 2022
Martin Spencer	Chair of Audit and Risk Assurance Committee	July 2023
Carole Stott OBE	–	July 2025
Venessa Willms OBE	–	July 2022
Baroness Laura Wyld	–	July 2023

9. The Audit and Risk Assurance Committee (ARAC) had the following membership during the year:

Name	Notes
Martin Spencer	Chair
Julie Kirkbride	–
Venessa Willms OBE	–
Baroness Laura Wyld	–
Ian Looker	Co-opted member (from February 2022)
James Aston MBE	Co-opted member (until February 2022)

10. Board and committee members reported the following directorships and other significant interests for 2021–22:

Name	Organisation	Role	Organisation type
Dame Christine Ryan	Ryan and Grunsell Limited	Partner	Consultancy
	Ofqual	Board member	Non-ministerial government department
	International Qualified Teacher Status panel (DfE)	Panel member	Government department
John Cridland CBE	Transport for the North (until July 2021)	Chair	Sub-national transport body
	Brunel University	Pro Chancellor	University
	Home Group	Chair	Housing association
	Skills Taskforce for Global Britain (WorldSkills UK)	Chair	Charity and partnership
	National Infrastructure Commission Levelling Up Panel	Panel member	HM Treasury executive agency
	Northern Powerhouse Partnership (until June 2021)	Board member	Think tank
	Northern Transport Acceleration Council	President	Sub-national transport body
Pamela Scriven QC	Judiciary of England and Wales	Barrister (QC), Judge (part-time position)	Judiciary
Venessa Willms OBE	ARK	Director of Education	Multi-academy trust
	ARK Boulton Academy	Chair of Governors	Multi-academy trust
Sir Hamid Patel CBE	Star Academies	Chief Executive	Multi-academy trust
	Confederation of School Trusts	Trustee	National body for multi-academy trusts
	Shine Charity	Trustee	Charity
	Education Partnership Trust	Member	Not-for-profit multi-academy trust
	Youth Endowment Fund Grants and Evaluation Committee	Chair	Charitable trust
	Education Honours Committee	Member	Cabinet Office
Julie Kirkbride	Lotteries Council	Adviser	Membership body
	New Schools Network	Vice Chair	Charity
	Volunteering Matters	Trustee	Charity

Name	Organisation	Role	Organisation type
Martin Spencer	Education and Skills Funding Agency	Board member	Executive agency
	NHS Counter Fraud Authority	Board member	Health authority
	Serious Fraud Office	Board member	Non-ministerial government department
	Companies House	Board member	Executive agency
	London Fire Brigade	Audit Committee member	Fire and rescue service
	UK Civil Service Commission	Civil Service Commissioner	Cabinet Office
	Criminal Cases Review Commission	Board member	Government department
	Achieving for Children	Director	Community interest company
	MJ & JM Spencer	Director	Company
Carole Stott OBE	St John's Foundation, Bath	Trustee	Charity
	National College for Advanced Transport and Infrastructure	Governor	Charity
	Bath Spa University	Governor	University
	Middlesex University Project: A National Industry Standard for Recognising Prior Learning in the Healthcare Sector	Consultant	University (Project for Health Education England led by Middlesex University)
Baroness Laura Wyld	House of Lords	Member	Parliament
	House of Lords	Member	Parliamentary committee
	Department for Culture, Media and Sport	Board member	Government department
	Destination Management Organisations	Member of challenge panel	Stakeholder group
	Newcastle University	Member of Court	University
	Platinum Jubilee Pageant	Member of Advisory Committee	Not-for-profit event
	Children and Families Act 2014 (post-legislative) Committee	Member	Parliamentary committee
James Aston MBE (co-opted member of ARAC)	BDO LLP	Partner, National Head of Education	Business
Ian Looker (co-opted member of ARAC)	York College	Chair	Further and higher education college
	University of Cumbria	Director	University

Statement of Accounting Officer's responsibilities

11. HMCI is Accounting Officer for Ofsted and must make sure that Ofsted operates with regularity and propriety, and that resources are spent efficiently to secure value for public money. This is set out in 'Managing public money', published by HM Treasury.³¹
12. HM Treasury directs Ofsted to prepare resource accounts for each financial year. Accounts are prepared on an accrual basis and present a true representation of Ofsted's net resource outturn, application of resources and cash flows for the financial year.
13. In preparing the accounts, the Accounting Officer must comply with the requirements issued in the Government Financial Reporting Manual (FReM) and in particular:
 - observe the accounts direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
 - make judgements and estimates on a reasonable basis
 - state where applicable accounting standards, as set out in the reporting manual, have been followed, and disclose and explain any material departures in the accounts
 - prepare the accounts on a going-concern basis.
14. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Ofsted's assets, are set out in 'Managing public money'.

As Accounting Officer, as far as I am aware there is no relevant audit information of which Ofsted's auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information. I can confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable. I take personal responsibility for the judgements required to ensure this.

Amanda Spielman

Amanda Spielman
Accounting Officer

31. 'Managing public money', HM Treasury, May 2012 (updated March 2022) <https://www.gov.uk/government/publications/managing-public-money>.

Governance statement

15. As Accounting Officer, HMCI is responsible for maintaining a sound system of internal control that supports the achievement of our policies, aims and objectives. This system must safeguard public funds and our assets, for which HMCI is responsible in accordance with the responsibilities assigned in 'Managing public money'.
16. Ofsted complies with the relevant sections of the code of practice for corporate governance in central government departments and adheres to the principles for risk management set out in the HM Treasury's 'Orange Book'. This governance statement describes the corporate governance and risk management arrangements for the year to 31 March 2022 and, by exception, to the date of this report.

Governance structure

Non-executive board

17. The responsibilities of the board are set out in the corporate governance framework. Dame Christine Ryan was appointed chair in August 2020 for a term of three years. A senior board member supports the chair and deputises when necessary. The position is held by Sir Hamid Patel CBE.
18. Recruitment for between one and six new board members is under way. The recruitment campaign was launched on 20 January.
19. The Chief Operating Officer, National Directors for Education and Regulation and Social Care, Director of Strategy and Engagement, Director of Insights and Research and the Director of Finance, Planning and Commercial also attended board meetings. Other staff attended when appropriate.
20. The board met five times formally in the reporting period and discussed or was briefed on:
 - the response to the COVID-19 pandemic
 - plans for returning to routine inspection
 - development and agreement of the strategic priorities for 2022 to 2027
 - strategic risks and risk management
 - corporate performance
 - updates from each business area
 - Ofsted's review of sexual abuse in schools and colleges
 - inspection of faith schools
 - the Annual Report and Accounts (ARA).
21. The board had an away day in July 2021 and discussed strategic priorities for the next five years and the board's effectiveness.

Review of board effectiveness

22. A board effectiveness review began in December 2021. The review is to ensure that the board continues to perform its functions as required by legislation and in line with recognised principles of good corporate governance in public bodies. The review was carried out by an external reviewer and concluded in May 2022.

Audit and Risk Assurance Committee

23. The board can delegate functions to sub-committees. The ARAC is the only sub-committee at this time.
24. ARAC gives advice and assurance to the board and HMCI. It offers guidance on the adequacy and effectiveness of internal controls, risk management processes and governance arrangements. It also provides assurance on internal and external audit arrangements covering both financial and non-financial systems. Its terms of reference are set out in the corporate governance framework.
25. In the reporting period, the committee had four board members and one independent financially qualified member.
26. As Accounting Officer, HMCI attends committee meetings along with the Chief Operating Officer and the Director of Finance, Planning and Commercial. The internal auditors and the National Audit Office also attend. Other members of staff attend when appropriate.
27. Between 1 April 2021 and 31 March 2022, the committee:
 - monitored the implementation of audit recommendations and reviewed internal audit reports, including those relating to core financial controls
 - provided assurance on risk management
 - carried out a review of the strategic risk register in the context of the strategic priorities
 - monitored delivery of the 2021–22 internal audit plan
 - endorsed the 2020–21 ARA and reviewed the proposed timeline for producing the 2021–22 ARA
 - carried out deep dives into social care, cybersecurity and reputational risks
 - reviewed the National Audit Office’s audit planning report.

Board and committee attendance: 1 April 2021 to 31 March 2022

Meetings attended (out of possible)

Board member	Actual/possible (Board)	Actual/possible (ARAC)
Dame Christine Ryan	5/5	–
Amanda Spielman	5/5	5/5
John Cridland CBE	5/5	–
Pamela Scriven QC	4/4	–
Venessa Willms OBE	4/5	4/5
Sir Hamid Patel CBE	5/5	–
Julie Kirkbride	5/5	5/5
Martin Spencer	4/5	5/5
Carole Stott OBE	5/5	–
Baroness Laura Wyld	5/5	5/5
James Aston MBE	–	4/4
Ian Looker	–	2/2

Executive board

28. Ofsted's senior management team, the executive board, is chaired by HMCI. The executive board gives support and guidance to HMCI as the decision-maker on significant strategic and operational issues. Attendees have oversight of operational change and business-as-usual activity and scrutinise monthly finance, performance and risk reports.
29. The executive board meets twice a month. The first meeting is dedicated to strategic discussions and the second is a forum for operational decision-making. The Chief Operating Officer, National Directors for Education and Social Care, the Director of Strategy and Engagement, Director of Insights and Research, Director of Digital and Information, Director of People and Operations and the Director of Finance, Planning and Commercial and the eight regional directors make up the executive board.
30. The following operational groups escalate risks, concerns and items for decision to the executive board and HMCI where necessary:
 - The Chief Operating Officer's delivery management meeting brings together the regional directors and the directors of operational functions to manage operational delivery effectively. The meeting acts as a forum to review and agree operational strategies and plan operational policies, escalating issues to HMCI and the executive board as appropriate.
 - Star Chambers are attended by senior leaders in each region, representing all remits, and are convened once every quarter. The meeting reviews and challenges performance in each region. It looks at resources, including financial, people and the contracted workforce, and risks associated with all aspects of delivery.

Risk management

31. Risk management is an integral part of governance procedures. The strategic risk register is used to identify, monitor and help mitigate threats to the delivery of long-term strategic aims. These risks are monitored and scrutinised at executive board, ARAC and non-executive board meetings. The executive board is responsible for ensuring that appropriate mitigating actions are taken to prevent these risks.
32. This year the strategic risk register was reviewed by ARAC and the executive board in the context of the strategic priorities. Changes were made to the existing risks and two new risks were developed: one on integrity and a cyber-related risk.
33. We are currently reviewing the strategic risk register in light of our new strategy.

Strategic risk register

34. In 2021–22, the strategic risk register included risks related to the following topics.

Credibility

35. Ofsted's guiding principle is to be a force for improvement through intelligent, responsible and focused inspection and regulation. To achieve this, the sectors we inspect and regulate must have confidence in our ability to improve standards. We are led by research and make sure that our approach to inspection and regulation is underpinned by evidence. We planned our return to inspection extensively to mitigate credibility risks this year.

Validity

36. We considered and managed risks to the validity of our judgements as we returned to routine inspection. In the education remits, no performance data has been available at institution level for the past year because of COVID-19; however, the education inspection framework relies less on performance data than previous frameworks and this has enabled us to continue to make valid judgements. We continue to manage risks to our validity, for example through evaluating our frameworks and monitoring post-inspection feedback to understand what is working well and what could be improved.

Force for improvement

37. Our strategy sets out how we will be a force for improvement. There is a risk that the ways we inspect and regulate do not enable providers to improve. There is also a risk that Ofsted is not able to keep pace with the changes in the sectors we inspect and regulate and that this affects our ability to be a force for improvement. We mitigate these risks by monitoring the impact of our strategy and working closely with the government to ensure that we can keep pace. A major success this year was the exemption for outstanding schools being lifted.

Regulation

38. Ofsted is the regulator of early years and social care, but this work is often not as high profile as our inspections of schools. We have mitigated the risk that insufficient attention is given to our regulatory role by:
- implementing the findings from an internal regulatory review and sharing these with the board
 - ensuring that our internal audit programme looks sufficiently at our regulatory work
 - raising the profile of this work with staff.

Delivering our funded inspection programme

39. The pandemic has presented challenges to delivering our funded inspection programme. All remits have now returned to full routine inspection and we have put in place measures to ensure that we deliver the programme.

Workforce

40. The pandemic has introduced new challenges for our workforce, many of whom have had to adapt to new working environments and methods. We must ensure that we continue to recruit and retain staff, and maintain enough capacity and capability to deliver our business-as-usual activity and deliver inspection and regulation of the right quality and quantity after COVID-19.

Financial

41. We take account of both impact and value for money in deciding how to allocate resources. Beyond our internal processes, we liaise with the DfE and other relevant bodies to ensure that those we work closely with are aware of the resources required to provide an adequate level of assurance.

Unforeseen events

42. Our risk register includes the risk of an unexpected external event placing significant demands on our ability to operate effectively and deliver our strategic aims. Business continuity plans were reviewed this year, as were the lessons that have been learned from the COVID-19 pandemic.

Cyber

43. A new cyber strategic risk has been developed, given the growing and changing security threats to government and the education sector. The risk that Ofsted is subject to an unknown and novel cyber-attack is mitigated and actions are managed through the new risk.

Integrity

44. A new strategic risk was identified regarding providers withholding material information on inspection, which then undermines our judgements and credibility. We have worked with other regulators and inspectorates to understand how they manage this risk and we have reviewed lessons from inspections where integrity was compromised, in order to help develop mitigations.

Data incidents

45. So far this year we have reported four personal data incidents to the Information Commissioner's Office (ICO). In each of the cases where the ICO's investigation has finished, it did not take any further action.
46. There have been 109 non-reportable incidents since 1 April 2021, each of which was contained.
47. Some internal investigations are still under way, but our responses to these incidents have already resulted in delivered, or planned, improvements to our handling procedures, training or technical products.

Functional standards

48. The Cabinet Office has published functional standards, which are a suite of management standards and associated documentation to guide people working in and with the UK government. We have assigned leads for each functional standard, and are putting in place an assurance process for 2022–23, to make sure each standard is complied with in a way that meets business need and priorities.

Internal audit

49. The Government Internal Audit Agency (GIAA) served as Ofsted's internal auditor throughout the year. As the government's main provider of internal audit services, GIAA offers a cross-government perspective. For the year 2021–22, the Head of Internal Audit gave a 'substantial' opinion, stating that overall Ofsted's framework of governance, risk management and control in 2021–22 was adequate and effective. This is the third consecutive year that GIAA has given a 'substantial' opinion.

Internal controls

50. HMCI, as Accounting Officer, is required to review the effectiveness of the system of internal control annually. This review is informed by the work of internal and external auditors, ARAC and the senior managers responsible for the internal control framework. This governance statement is completed to provide assurance to HMCI about the effectiveness of the governance and internal control framework, as set out above.
51. HMCI reviews the systems in place to minimise risks and to support the achievement of our policy, aims and objectives. This includes a review of standard mid- and end-year checks carried out by senior civil servants of the controls to manage risks in their area. Each director and deputy director must give written assurance to HMCI that their controls are effective.
52. Any deviations from our internal control checklist are reported. No deviations were recorded this year.

Remuneration and staff report

Remuneration report part A: unaudited

Appointing non-executive board members

53. The Education and Inspections Act 2006 established the Office for Standards in Education, Children's Services and Skills and its board. The Secretary of State for Education appoints board members in line with government guidelines. Full details of the membership of the board and their dates and terms of appointment are provided in the governance statement.

Appointment of the Permanent Head of the Department and directors

54. Amanda Spielman has been HMCI since January 2017. Her term of appointment runs to December 2023, following an extension in May 2021.
55. The members of the executive board and their dates of appointment are listed in the governance statement. The senior civil servants and other officials covered by this report hold permanent appointments.
56. Civil Service appointments are made in accordance with the Civil Service Commission's recruitment principles. The principles set out that appointments must be made on merit and based on fair and open competition. They also include exemptions to this.

Remuneration policy

57. Senior civil servants are paid in accordance with the SCS pay framework. This is set by the government and subject to the recommendations of the Senior Salaries Review Body.
58. Ofsted operates an SCS pay committee consisting of HMCI, senior civil servants and a non-executive board member. This committee decides all annual SCS pay and bonus awards, as well as any changes to Ofsted's SCS pay strategy. Julie Kirkbride, a board member, is the non-executive member. The role of the independent member is to quality assure the process. They ensure that pay decisions are consistent with evidence of individuals' performance and that consistent criteria are applied in individual pay decisions.
59. Ofsted's approach to assessing SCS staff's performance follows the relevant Cabinet Office guidance. Our assessment has therefore been based on:
- whether objectives have been met
 - the demonstration of leadership behaviours and working in line with Ofsted and Civil Service values
 - professional skills
 - the management of resources
 - degree of difficulty in meeting the objectives considering actual events.

60. We allocated staff to performance groups following a two-stage process. Initially, SCS differentiated and ranked their staff against the appropriate assessment criteria. Subsequently, our SCS pay committee challenged and validated the rank order and merged the agreed lists into the three performance distribution groups.
61. The final allocation reflected how each postholder had performed in their job, their overall track record and their growth in competence, as well as what they had achieved against individual performance agreements.

Remuneration report part B: audited

Non-executive remuneration

62. The remuneration of board members for the year ending 31 March 2022 was as follows:

Name	Remuneration (£'000)	
	2021–22	2020–21
Dame Christine Ryan (Chair)	45–50	30–35 (45–50 FYE*)
John Cridland CBE	5–10	5–10
Venessa Willms OBE	5–10	5–10
Carole Stott OBE	5–10	5–10
Sir Hamid Patel CBE	5–10	5–10
Julie Kirkbride	5–10	5–10
Baroness Laura Wyld	5–10	5–10
Martin Spencer	5–10	5–10
Pamela Scriven QC (until Jan 2022)	5–10 (5–10 FYE)	5–10

* FYE = full-year equivalent

Remuneration of executive board members

63. The remuneration of the most senior members of staff for the year ending 31 March 2022 was as follows:

Name	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total (£'000)	
	2021–22	2020–21	2021–22	2020–21	2021–22	2020–21	2021–22*	2020–21	2021–22	2020–21
Amanda Spielman	185–190	185–190	–	–	–	–	73	73	260–265	260–265
Matthew Coffey	145–150	145–150	0–5	–	–	–	35	61	185–190	205–210
Andrew Cook	130–135	125–130	–	–	–	–	35	53	165–170	180–185
Katrina Gueli	120–125	120–125	–	–	–	–	43	64	165–170	185–190
Christopher Russell	135–140	130–135	–	–	–	–	18	38	155–160	165–170
Karen Shepperson	120–125	120–125	–	–	–	–	19	53	140–145	175–180
Mike Sheridan	140–145	125–130	–	–	–	–	33	47	170–175	170–175
Yvette Stanley	140–145	140–145	0–5	–	–	–	48	48	190–195	185–190
Louise Grainger	95–100	95–100	–	–	–	–	24	40	120–125	135–140
Neil Greenwood	100–105	100–105	–	–	–	–	28	45	125–130	145–150
Chris Jones	95–100	95–100	–	–	–	–	38	38	135–140	135–140
James McNeillie	110–115	50–55 (95–100 FYE)	–	–	–	–	45	21	155–160	75–80
Lorna Fitzjohn	125–130	130–135	–	–	–	–	–11	34	115–120	160–165
Emma Ing	120–125	120–125	0–5	–	–	–	8	14	135–140	135–140
Matthew Purves (from 31 Jan 2022)	20–25 (120–125 FYE)	–	–	–	–	–	23	–	40–45	–
Alex Jones (from 21 Mar 2022)	0–5 (100–105 FYE)	–	–	–	–	–	5	–	5–10	–

Name	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total (£'000)	
	2021–22	2020–21	2021–22	2020–21	2021–22	2020–21	2021–22*	2020–21	2021–22	2020–21
Bradley Simmons (to 1 June 2021)	35–40 (125–130 FYE)	135–140*	–	–	–	–	5	42	40–45	175–180
Stephen Long (from 31 Aug 2021 to 31 Jan 2022)	40–45 (105–110 FYE)	45–50 (100–105 FYE)	–	–	–	–	56	12	100–105	55–60
Sean Harford (to 31 Aug 2021)	50–55 (125–130 FYE)	125–130	–	–	–	–	7	64	60–65	190–195

*Some values are pending queries with pension provider MyCSP

64. 'Salary' includes gross salary, recruitment and retention allowances, and other allowances to the extent that they are subject to UK taxation.
65. In line with the SCS pay framework, bonus payments are based on performance and are made as part of the appraisal process. No bonuses were paid last year (2020–21) or this year relating to the previous year, given the suspension of routine inspection during the pandemic.
66. The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument.

Fair pay disclosure (as at 31 March 2022)

67. There was no change to the highest-paid director's salary in 2021–22 compared with the previous year.
68. For employees of Ofsted, the average percentage changes from the previous financial year were:

		2021–22	2020–21	% Change
		(£'000)		
Highest-paid director	Salary and allowances	185–190	185–190	0%
	Performance pay and bonuses	0	0	0%
Employees (average by full-time equivalent)	Salary and allowances	51.5	51.3	0%
	Performance pay and bonuses	0.57	0.51	12%

69. Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.³² This is laid out in the table below.

Total remuneration	2021–22		2020–21	
	Value (£'000)	Ratio	Value (£'000)	Ratio
Banded mid-point for highest-paid director	187.5		187.5	
Upper quartile	69.1	2.7	71.7	2.6
Mid-point (median)	49.1	3.8	51.7	3.6
Lower quartile	30.0	6.3	30.6	6.1

Salary component	2021–22
	Value (£'000)
Banded mid-point for highest-paid director	187.5
Upper quartile	69.1
Mid-point (median)	48.6
Lower quartile	29.4

70. The banded remuneration of the highest-paid director in Ofsted in the financial year 2021–22 was £187,500 (2020–21, £187,500). This was 3.8 times (2020–21, 3.6) the median remuneration of the workforce, which was £49,100 (2020–21, £51,700).
71. In 2021–22, no employees were paid more than the highest-paid director (2020–21, also none). Remuneration ranged from £16,000 to £187,500 (2020–21, £20,954 to £187,500). This does not include employees on the Kickstart scheme, who receive the national minimum wage appropriate to their age.
72. Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash-equivalent transfer value of pensions.
73. The median remuneration of the workforce declined slightly this year, although it remains in line with the previous year's figures. This decline led to a widening of the ratio compared with the highest-paid director, although again it is consistent with previous years. This is despite most remuneration across Ofsted remaining unchanged in 2021–22 compared with the previous year. The change is due in part to an increase in the inspection workforce, most notably at the B1 inspector grade, as we continue to take on more responsibilities in inspection and regulation. The increased size of this workforce relative to more senior grades contributed to our lower median.

32. Calculation excludes employer pension contributions and cash equivalent transfer values as laid out in 'Government Financial Reporting Manual: 2020–21', HM Treasury, December 2019; <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

Pension benefits

74. The pension entitlements of the most senior members of staff for the year ending 31 March 2022 were as follows:

	Accrued pension at pension age as at 31/03/2022 and related lump sum	Real increase in pension and related lump sum at pension age	CETV* at 31/03/2022	CETV at 31/03/2021	Real increase in CETV
Name	£'000	£'000	£'000	£'000	£'000
Amanda Spielman	20–25	2.5–5	348	274	50
Matthew Coffey	55–60 plus a lump sum of 90–95	0–2.5 plus a lump sum of 0	987	920	13
Andrew Cook	35–40	0–2.5	734	672	18
Katrina Gueli	40–45	2.5–5	574	519	25
Christopher Russell	30–35	0–2.5	693	662	18
Karen Shepperson	60–65 plus a lump sum of 120–125	0–2.5	1,166	1,100	1
Mike Sheridan	55–60	0–2.5	709	660	13
Yvette Stanley	10–15	2.5–5	162	118	31
Louise Grainger	50–55	0–2.5	630	589	10
Neil Greenwood	35–40	0–2.5	551	511	10
Chris Jones	15–20	0–2.5	143	121	11
James McNeillie	20–25	2.5–5	276	239	22
Lorna Fitzjohn	55–60 plus a lump sum of 170–175	0	1,208	1,203	-11
Emma Ing	30–35	0–2.5	680	660	8
Matthew Purves (From 31 Jan 2022)	25–30	0–2.5	330	314	13
Alex Jones (From 21 Mar 2022)	20–25	0–2.5	280	277	3
Bradley Simmons (to 1 June 2021)	70–75	0–2.5	1,462	1,444	5
Stephen Long (from 31 Aug 2021 to 31 Jan 2022)	50–55	2.5–5	1,059	970	50
Sean Harford (to 31 Aug 2021)	70–75	0–2.5	1,323	1,276	-1

*CETV = cash-equivalent transfer value

Civil Service pensions

75. Pension benefits are provided through the Civil Service pension arrangements. This scheme provides benefits on a career-average basis, with a normal pension age equal to the member's state pension age. All newly appointed civil servants joined the alpha pension scheme. From April 2022, all active Principal Civil Service Pension Scheme (PCSPS) members switched to alpha, following the government-led programme to remove discrimination from the 2015 pension reforms.
76. The pension figures quoted for officials show pension earned in all Civil Service schemes. Members who joined from October 2002 may also opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).
77. These statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually.
78. Employee contributions are salary-related and range between 4.6% and 8.05% for members of alpha, classic, premium, classic plus, and nuvos.
 - Benefits in alpha build based on the employee's pensionable earnings during the period when they are a member of the scheme. At the end of the scheme year the member's earned pension account is credited with 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation.
 - Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement.
 - In premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium.
 - In nuvos, a member builds up a pension based on their pensionable earnings during the period when they are a member of the scheme. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation.
 - In all cases, members may opt to give up ('commute') pension for a lump sum up to the limits set by the Finance Act 2004.
79. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. Employees do not have to contribute, but where they do make contributions, the employer matches these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

80. The accrued pension quoted is the pension that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or state pension age for members of alpha. (The pension figures quoted for officials show pension earned in the PCSPS or alpha, as appropriate. If the individual has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes. Note that part of that pension may be payable from different ages.)
81. You can find further details about the Civil Service pension arrangements at: www.civilservicepensionscheme.org.uk.

Cash-equivalent transfer values

82. A cash-equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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.
83. The figures include the value of any pension benefit in another scheme or arrangement that the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax that may be due when pension benefits are taken.

Real increase in CETV

84. This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or 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.

Compensation for loss of office

85. No compensation for loss of office payments was made in 2021–22 (2020–21: none).

Staff report part A: audited

Number of senior civil servants by pay band

Total remuneration	As at 31 March 2022	As at 31 March 2021
Permanent secretary equivalent	1	1
SCS Band 3	1	1
SCS Band 2	12	10
SCS Band 1	18	18
Total	32	30

Staff numbers

86. The average number of staff during the year was:

Type of staff	2021–22			2020–21
	Permanently employed staff	Others	Total	Total
Executive board	16	–	16	16
Other SCS	15	–	15	16
Inspection	793	9	802	761
APT*	885	110	994	992
Total	1,709	119	1,828	1,785
Of which: Staff engaged on capital projects	25	–	25	10

* Administrative, professional, technical

Staff costs

	2021–22			2020–21
	Permanently employed staff	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	88,376	6,766	95,142	92,207
Social security costs	9,989	155	10,144	9,820
Apprentice levy	431	–	431	420
Pension costs	23,644	291	23,935	23,532
Exit costs	473	–	473	179
Sub total	122,913	7,212	130,125	126,158
Less recoveries in respect of outward secondments	150	–	150	498
Less capitalised costs	1,599	926	2,525	1,253
Total net costs	121,164	6,286	127,450	124,407

Reporting of Civil Service and other compensation schemes – exit packages

87. Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service pension scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. If the department agrees early retirements other than for ill health, the additional costs are met by the department and not the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.
88. There were no compulsory redundancies in 2021–22.

Number of exit packages by cost band

Exit package cost band £'000	Number of compulsory redundancies	Number of other departures agreed	2021–22 total number of exit packages by cost band	2020–21 total number of exit packages by cost band
0–10	–	3	3	–
10–25	–	2	2	4
25–50	–	3	3	–
50–100	–	1	1	1
100–150	–	2	2	–
150–200	–	–	–	–
200+	–	–	–	–
Total number of exits	–	11	11	5
Total resource cost £'000	–	473	473	177

Monitoring of consultancy and temporary staff

89. Ofsted has used the Public Sector Resourcing framework, operated by the Crown Commercial Service, to procure new agency staff and interim contractors.

	2021–22	2020–21
	£'000	£'000
Consultancy	474	267
Temporary and agency staff	5,567	4,354*

*The 2020–21 comparator figure for temporary and agency staff has been restated. The amount disclosed in 2020–21 was £3,768,000, but capitalised temporary staffing costs of £586,000 were omitted in error.

Off-payroll engagements

90. Ofsted is required to publish information on highly paid and/or senior off-payroll appointments. Off-payroll appointments are those that are not on the department's payroll.

Temporary off-payroll worker engagements as at 31 March 2022, where individuals are earning at least £245 per day

No. of existing engagements as of 31 March 2022	19
Of which...	
No. that have existed for less than one year at time of reporting	12
No. that have existed for between one and two years at time of reporting	7
No. that have existed for between two and three years at time of reporting	–
No. that have existed for between three and four years at time of reporting	–
No. that have existed for four or more years at time of reporting	–

Temporary off-payroll workers engaged at any point during the year ended 31 March 2022, where individuals are earning at least £245 per day

No. of off-payroll workers engaged during the year ended 31 March 2021	45
Of which...	
Not subject to off-payroll legislation	45
Subject to off-payroll legislation and determined as in scope of IR35	–
Subject to off-payroll legislation and determined as out of scope of IR35	–
No. of engagements reassessed for compliance or assurance purposes during the year	–
Of which: no. of engagements that saw a change to IR35 status following review	–

91. There were no off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022.

Staff report part B: unaudited

Staff composition

92. On 31 March 2022, Ofsted directly employed 1,847 staff across England.

93. The gender of the staff was as follows (headcount):

	Female	Male	Total
Executive board	7	9	16
Other SCS	9	7	16
Inspection staff	640	223	863
APT staff	593	359	952
Total	1,249	598	1,847

COVID-19 deployments

94. There were no COVID-19 deployments in 2021–22.

Employee matters

Sickness

95. Average working days lost increased from 5.6 days in 2020–21 to 8.6 in 2021–22. This varies by business area. This rise is in line with expectations covering the final stages of the pandemic and a return to offices and normal ways of working with increased social mixing. This is above our pre-pandemic average of 7.1 working days lost across the 2019 calendar year.

Turnover

96. Staff turnover rose this year to 14% (2020–21: 9%). This may be the result of staff delaying job moves and retirement during the pandemic.

Supportive employment practices

97. We operate supportive employment practices through, for example, supportive procedures for attendance, flexible working, and time off work, as well as mental health first aiders, occupational health referrals and free counselling and advice services. We have reviewed these to ensure that they continue to be fit for purpose.

98. We continue to provide the workforce with a variety of support and information. During the year we provided further training for our team of mental health first aiders. We have also worked with our new occupational health and employee assistance provider to launch support for employees on specific issues affecting our workforce.

99. All office-based staff returned to the office in 2021 as we began to emerge from the pandemic. We have supported them and their managers to get the best out of face-to-face time with the launch of our refreshed ‘modern ways of working’ e-learning. This e-learning, alongside many other activities this year, allowed us to achieve Mature Smarter Working status in our organisational assessment.

100. We monitor how our policies are applied, reporting to the executive board on any adverse impact. While bullying, discrimination and harassment are reassuringly uncommon in Ofsted, a bullying, discrimination and harassment working group consults with colleagues to identify how we can continue to improve. The findings from this group inform communications, guidance and training.

Whistle-blowing (internal)

101. We engage in the ‘Speak up’ campaign to promote awareness of our ‘Whistle-blowing and raising a concern’ policy in our workforce, and review and update our list of nominated officers to ensure this information is current when colleagues need to access it.

102. There have been no whistle-blowing cases during the year.

Anti-bribery and corruption

103. Ofsted employees are expected to adhere to a high standard of personal honesty and integrity, and to ensure that their behaviour meets the standards expected of them, as set out in the Nolan principles.
104. All offers of gifts, rewards and hospitality must be reported to the individual's manager and are recorded on our register. Our guiding principles are clear that, should there be any doubt over the propriety of accepting any gift, reward or hospitality, it should be refused.
105. Any conflict, whether real or perceived, that is not appropriately managed can jeopardise Ofsted's public standing and trust in our judgements. Our policies are clear that those who work for Ofsted must not put themselves in a position where previous employment, personal relationships or private interests conflict, or could be perceived to conflict, with our values. All potential conflicts must be declared and assessed to determine whether they can be properly managed without affecting the integrity and reputation of Ofsted and the individual.
106. To support employees who were deployed during COVID-19, we released specific guidance on conflicts of interest in the context of deployment activity, including principles for appropriate activities and managing the return to Ofsted roles.
107. Any Ofsted employee who intends to take up an outside appointment or employment after leaving the Civil Service must comply with the 'Government's business appointments rules for civil servants' and any measures put in place to manage interests.

Trade union facility time

108. Ofsted recognises and works with three unions: FDA, Public and Commercial Services Union (PCS), and UNISON.
109. Facility time is reported in line with the requirements set out in the Trade Union (Facility Time Publications Requirements) Regulations 2017. This represents paid time off provided to trade union representatives for trade union duties and activities.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
20	15.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1–50%	18
51–99%	–
100%	–

Percentage of pay bill spent on facility time

Total cost of facility time	£101k
Total pay bill	£122.3m
Percentage of total pay bill spent on facility time	0.1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	18.6%
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110. Multiple trade union representatives joined or left Ofsted during the year; these partial years explain the difference between the full-time equivalent number of officials and headcount. There was little to no change in the percentage of the pay bill spent on facility time this year compared with the previous year.

Parliamentary accountability and audit report: audited

Statement of Outturn against Parliamentary Supply

In addition to the primary statements prepared under the international financial reporting standards (IFRS), the government financial reporting manual (FReM) requires Ofsted to prepare a Statement of Outturn against Parliamentary Supply (SOPS).

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against its Supply Estimate (Estimate). Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the consolidated fund) that Parliament gives statutory authority for entities to use. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by its Estimate, called control limits, its accounts will receive a qualified opinion.

The format of the SOPS mirrors the Estimates published on gov.uk (<https://www.gov.uk/government/publications/main-supply-estimates-2021-to-22>) to enable comparability between what Parliament approves and the final outturn.

The SOPS contains a summary table, detailing:

- performance against the control limits that Parliament has voted on
- cash spent (budgets are compiled on an accruals basis and so outturn will not exactly tie to cash spent)
- administration.

The supporting notes detail:

- outturn by Estimate line, providing a more detailed breakdown (SOPS 1)
- a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SoCNE), to tie the SOPS to the financial statements (SOPS 2)
- a reconciliation of outturn to net cash requirement (SOPS 3)
- an analysis of income payable to the consolidated fund (SOPS 4).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, the IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different from IFRS can also be found in chapter 1 of the 'Consolidated budgeting guidance', available on gov.uk (<https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022>).

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. Below is a summarised discussion of outturn against estimate as an introduction to the SOPS disclosures.

Figures described as Estimates are voted on by Parliament and are subject to Parliamentary control. Any breach of these limits is treated as unauthorised expenditure and requires retrospective approval, known as an excess vote.

In addition, although not a separate voted limit, any breach of the administration budget would also require an excess vote.

Our performance against the total funding received in the Estimate of £143.8 million was:

	Estimate	Outturn	Variance
	£'000	£'000	£'000
Departmental expenditure limit – resource (RDEL excluding depreciation)	132,847	123,631	9,216
Departmental expenditure limit (DEL) – depreciation	6,100	5,012	1,088
Ofsted's core funding	138,947	128,643	10,304
Departmental expenditure limit – depreciation	4,655	3,191	1,464
Annually managed expenditure (AME) – resource	225	104	121
Total budget	143,827	131,938	11,889

Ofsted underspent by £10.3 million (7%) against its core funding (DEL excluding depreciation). This is mainly because we did not return to a full programme of routine school and further education and skills inspections until September 2021. You can find further information about the return to routine inspection earlier in this report.

Summary tables – mirrors part 1 of the Estimates

Summary table 2021–22

	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Prior year outturn total
	Voted	Non-voted	Total	Voted	Non-voted	Total	2021–22	2020–21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental expenditure limit								
– Resource	126,822	–	126,822	137,502	–	137,502	10,680	116,343
– Capital	5,012	–	5,012	6,100	–	6,100	1,088	3,284
Annually managed expenditure								
– Resource	104	–	104	225	–	225	121	(111)
– Capital	–	–	–	–	–	–	–	–
Total budget	131,938		131,938	143,827		143,827	11,889	119,516
Total resource	126,926	–	126,926	137,727	–	137,727	10,801	116,232
Total capital	5,012	–	5,012	6,100	–	6,100	1,088	3,284
Total	131,938		131,938	143,827		143,827	11,889	119,516

Figures in the ‘voted’ column cover the control limits voted by Parliament.

Refer to the ‘Supply Estimates guidance manual’ on gov.uk (www.gov.uk/government/publications/supply-estimates-guidance-manual) for detail on the control limits voted by Parliament.

Net cash requirement 2021–22

	2021–22				2020–21
		Outturn total	Estimate total	Outturn vs Estimate, saving/ (excess)	Prior year outturn total
	Reference	£'000	£'000	£'000	£'000
Net cash requirement	SOPS 2	128,822	138,884	10,062	118,301

Administration costs 2021–22

	2021–22			2020–21
	Outturn total	Estimate total	Outturn vs Estimate, saving/ (excess)	Prior year outturn total
	£'000	£'000	£'000	£'000
Administration costs	15,527	18,215	2,688	15,576

Although not a separate voted limit, any breach of the administration budget will result in an excess vote.

Notes to the Statement of Outturn against Parliamentary Supply, 2021–22

SOPS 1 – Outturn detail by Estimate line

SOPS 1.1 Analysis of resource outturn by Estimate line

	2021–22									2020–21
	Administration			Programme			Outturn	Estimate		Prior year outturn total
	Gross	Income	Net	Gross	Income	Net	Total	Net total Estimate	Outturn vs Estimate, saving/ (excess)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Spending in departmental expenditure limits										
Voted expenditure	15,527	–	15,527	142,377	(31,082)	111,295	126,822	137,502	10,680	116,343
Annually managed expenditure										
Voted expenditure	–	–	–	104	–	104	104	225	121	(111)
Total	15,527	–	15,527	142,481	(31,082)	111,399	126,926	137,727	10,801	116,232

SOPS 1.2 Analysis of net capital outturn by Estimate line

	2021–22					2020–21
	Outturn			Net total Estimate	Estimate	Prior year outturn total
	Gross	Income	Net		Outturn vs Estimate, saving/(excess)	
	£'000	£'000	£'000	£'000	£'000	£'000
Spending in departmental expenditure limit:						
Voted	5,012	–	5,012	6,100	1,088	3,284
Total	5,012	–	5,012	6,100	1,088	3,284

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require Parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury).

See the ‘Supply Estimates guidance manual’ for more information on virements.

SOPS 2 – Reconciliation of net resource outturn to net operating expenditure

Item	Reference	Outturn total	Prior year outturn total 2020–21
Total resource outturn	SOPS 1.1	126,926	116,232
Add:			
Research costs classified as capital DEL in the SOPS under ESA 10*, but treated as operating costs in the SoCNE		1,177	975
Income payable to the consolidated fund	SOPS 4	(264)	(1,694)
		127,839	115,513
Net operating expenditure in consolidated SoCNE	SoCNE	127,839	115,513

*ESA 10 = European System of Accounts

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, the IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

SOPS 3 – Reconciliation of net resource outturn to net cash requirement

	Reference	2021–22		
		Outturn	Estimate	Outturn vs Estimate, saving/(excess)
		£'000	£'000	£'000
Resource outturn	SOPS 1.1	126,926	137,727	10,801
Capital outturn	SOPS 1.2	5,012	6,100	1,088
Total outturn		131,938	143,827	11,889
Accruals to cash adjustments:		(3,116)	(4,943)	(1,827)
Of which:				
Adjustments to remove non-cash items:				
Depreciation and amortisation		(3,191)	(4,655)	(1,464)
New provisions and adjustments to previous provisions		(151)	(260)	(109)
Auditor's remuneration		(76)	(63)	13
Income payable to the consolidated fund	SOPS 4	(264)	–	264
Less: movements in payables relating to items not passing through the SoCNE		1,369	–	(1,369)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		1,701	–	(1,701)
(Increase)/decrease in payables		(4,245)	–	4,245
Payments of amounts due to the consolidated fund		1,694	–	(1,694)
Use of provisions		47	35	(12)
Net cash requirement		128,822	138,884	10,062

As noted in the introduction to the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

SOPS 4 – Amounts of income to the consolidated fund

SOPS 4.1 Analysis of income payable to the consolidated fund

In addition to income retained by Ofsted, the following income is payable to the consolidated fund.

		Outturn total 2021–22	Prior year outturn total, 2020–21
	Reference	£'000	£'000
Income outside of the ambit of the Estimate	4	264	1,694
Total amount payable to the consolidated fund		264	1,694

HM Treasury rules prevent departments from retaining income from fees and charges that exceed the full cost of the service provided. This is known as a consolidated fund extra receipt (CFER). The excess income collected must be paid over to HM Treasury. A £0.3m CFER relating to social care income has arisen this year. Following the return to routine inspection in 2021–22, some inspections resumed in phases, which meant that the cost of providing that service was marginally less than the statutory fee charged.

SOPS 4.2 – Consolidated fund income

	Outturn total 2021–22	Prior year outturn total, 2020–21
	£'000	£'000
Income outside of the ambit of the Estimate	264	1,694
Amount payable to the consolidated fund	264	1,694
Balance held at the start of the year	1,694	271
Payments into the consolidated fund	(1,694)	(271)
Balance held on trust at the end of the year	264	1,694

Parliamentary Accountability Disclosures

Losses and special payments

Losses statement

	2021–22		2020–21	
	No. of cases	£'000	No. of cases	£'000
Fruitless payments and constructive losses	85	135	572	678
Total	85	135	572	678

There are no individual losses exceeding £0.3 million (2020–21: nil).

Special payments

	2021-22		2020-21	
	No. of cases	£'000	No. of cases	£'000
Special payments	3	37	2	42
Total	3	37	2	42

Fees and charges

	2021-22		
	Income*	Full cost	Surplus/(deficit)
	£'000	£'000	£'000
Social care	12,684	27,990	(15,306)
Early years	6,166	35,958	(29,792)
Independent schools	1,825	9,263	(7,438)
Total	20,675	73,211	(52,536)

*Social care income includes £0.3 million payable to the consolidated fund (see SOPS 4).

	2020-21		
	Income	Full cost*	Surplus/(deficit)
	£'000	£'000	£'000
Social care	12,196	24,512	(12,316)
Early years	6,079	31,694	(25,615)
Independent schools	1,119	2,375	(1,255)
Total	19,394	58,581	(39,186)

*Social care income includes £1.7 million payable to the consolidated fund (see SOPS 4).

Amanda Spielman

Amanda Spielman
Accounting Officer

Date: 8 July 2022

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of The Office for Standards in Education, Children's Services and Skills (Ofsted) for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The financial statements comprise the:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Ofsted's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of Ofsted in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Ofsted's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ofsted's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Ofsted is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipates that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Ofsted and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by Ofsted or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the
- Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing Ofsted's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Ofsted will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Ofsted's accounting policies and key performance indicators.
- inquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Ofsted's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Ofsted's controls relating to Ofsted's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Ofsted for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Ofsted's framework of authority as well as other legal and regulatory frameworks in which Ofsted operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Ofsted. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies
The Comptroller and Auditor General

Date: 8 July 2021

National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

FINANCIAL STATEMENTS



Statement of comprehensive net expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2021–22	2020–21
	Reference	£'000	£'000
Revenue from contracts with customers	4	(31,048)	(26,408)
Grant income – apprentice levy	4	(34)	(77)
CFER	4	(264)	(1,694)
Total operating income		(31,346)	(28,179)
Staff costs	3	127,450	124,407
Purchase of goods and services	3	28,544	15,470
Depreciation and amortisation	3	3,191	3,815
Total operating expenditure		159,185	143,692
Net expenditure for the year		127,839	115,513
Items which will not be reclassified to net operating expenditure			
Actuarial (gain)/loss on pension scheme liabilities	17	–	(212)
Comprehensive net expenditure for the year		127,839	115,301

Statement of financial position

This statement presents the financial position of Ofsted. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		31 March 2022	31 March 2021
	Reference	£'000	£'000
Non-current assets			
Property, plant and equipment	5	1,213	1,462
Intangible assets	6	10,770	9,877
Trade and other receivables	11	264	113
Total non-current assets		12,247	11,452
Current assets			
Trade and other receivables	11	9,549	7,999
Cash and cash equivalents	10	1,444	339
Total current assets		10,993	8,338
Total assets		23,240	19,790
Current liabilities			
Trade and other payables	12	(15,896)	(13,354)
Contract liabilities	12	(8,318)	(8,309)
Provisions	13	(80)	(227)
Total current liabilities		(24,294)	(21,890)
Total assets less net current liabilities		(1,054)	(2,100)
Non-current liabilities			
Provisions	13	(1,154)	(903)
Total non-current liabilities		(1,154)	(903)
Total assets less total liabilities		(2,208)	(3,003)
Taxpayers' equity and other reserves			
Total reserves		(2,208)	(3,003)
Total equity		(2,208)	(3,003)

Amanda Spielman

Amanda Spielman
Accounting Officer

Date: 8 July 2022

Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents of the department during the reporting period. It shows how Ofsted generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by income from the recipients of Ofsted's services. Investing activities represent the extent to which cash inflows and outflows have been made for resources that are intended to contribute to future public service delivery.

		2021–22	2020–21
	Reference	£'000	£'000
Cash flows from operating activities			
Net operating cost		(127,839)	(115,513)
Adjustment for non-cash transactions		3,418	3,888
(Increase)/decrease in trade and other receivables		(1,701)	(3,985)
Increase/(decrease) in trade payables		4,245	379
(Increase)/decrease in departmental balances with the consolidated fund		(1,369)	(689)
Use of provisions	13	(47)	(115)
LGPS exit credit accounted for through other comprehensive income	17	–	314
Net cash outflow from operating activities		(123,293)	(115,721)
Cash flows from investing activities			
Purchase of non-financial assets	5 and 6	(3,835)	(2,309)
Net cash outflow from investing activities		(3,835)	(2,309)
Cash flows from financing activities			
From the consolidated fund (supply) – current year		129,927	117,296
Net financing		129,927	117,296
Net increase/(decrease) in cash and cash equivalents in the period before adjustments for receipts and payments to the consolidated fund		2,799	(734)
Payments of amounts due to the consolidated fund		(1,694)	(271)
Net increase/(decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the consolidated fund		1,105	(1,005)
Cash and cash equivalents at the beginning of the period	10	339	1,344
Cash and cash equivalents at the end of the period	10	1,444	339

Statement of changes in taxpayers' equity

This statement shows the movement in the year on the different reserves held by Ofsted, analysed into 'general fund reserves' (reserves that reflect a contribution from the consolidated fund).

The revaluation reserve reflects the change in asset values that have not been recognised as income or expenditure.

The general fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Reference	General fund £'000
Balance at 31 March 2020		(4,378)
Net Parliamentary funding		118,301
Comprehensive net expenditure for the year	SoCNE	(115,513)
Auditor's remuneration	3	69
Movement in value of pension scheme asset	17	212
CFERs payable to the consolidated fund	4	(1,694)
Balance at 31 March 2021		(3,003)
Net Parliamentary funding		128,822
Comprehensive net expenditure for the year	SoCNE	(127,839)
Auditor's remuneration	3	76
CFERs payable to the consolidated fund	4	(264)
Balance at 31 March 2022		(2,208)

Notes to the Ofsted resource accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2021–22 FReM, issued by HM Treasury. The accounting policies contained in the FReM apply the IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Ofsted for the purpose of giving a true and fair view has been selected. The policies adopted by Ofsted are described below. They have been applied consistently in dealing with items that are considered material to the accounts. The accounts have been prepared on a going-concern basis.

In addition to the primary statements prepared under IFRS, the FReM also requires Ofsted to prepare one additional primary statement (the SOPS). The SOPS and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention (the practice of recording the original cost of an asset as its cost on a balance sheet), modified to account for the revaluation of non-current assets and certain financial assets and liabilities.

1.2 Valuation of non-current assets

Plant and equipment assets are held at depreciated historic cost as a proxy for current value, as permitted by the FReM. Intangible assets are held at cost less accumulated amortisation (the proportion of the asset value charged to the SoCNE) and any impairment losses (when the value of an asset falls below its carrying value). Ofsted uses this method because we have a very small asset base, and any revaluation adjustments would be immaterial.

Plant, equipment and intangible assets are capitalised if they are intended for use on a continuous basis for more than one year. The threshold for capitalising non-current assets is £10,000 (including irrecoverable VAT). Individual items are not grouped unless they are components of a single asset.

1.3 Depreciation and amortisation

Depreciation and amortisation are provided on all non-current assets on a straight-line basis to write off costs (less any estimated residual value) evenly over the asset's anticipated life. Depreciation and amortisation are charged from the month following acquisition or use.

Asset lives are in the following ranges:

- information technology – typically three to five years, assumptions on remaining asset lives are reviewed with asset owners annually and may be adjusted in line with the latest expectations of how long they will be in operational use
- furniture and fittings – three to 15 years (usually in line with the remaining length of the respective property lease).

1.4 Research and development costs

Expenditure on research is treated as an operating cost in the SoCNE. Expenditure on development of a product or service is also treated as an operating cost unless it meets the capitalisation criteria specified in International Accounting Standard (IAS) 38, 'Intangible assets'.

The National Accounts (the SOPS) treats certain research costs as CDEL, in line with the European System of Accounts (ESA 10) framework. This means that there is a misalignment between the total operating costs in the SoCNE and the total resource DEL costs in the SOPS. The difference between the two statements are reconciled in SOPS 2. Further details are available in HM Treasury's 'Consolidated budgeting guidance':

www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022.

1.5 Income

Income consists mainly of registration and annual fees from social care and early years providers. Ofsted also receives income for inspections of independent schools, and from other government departments to carry out additional inspection activity where the funding is not provided directly to Ofsted.

Ofsted recognises income in accordance with IFRS 15. The standard sets out that the point of recognition is based on when performance obligations of a contract are satisfied and control of the benefits are fully received by the customer. The table below sets out the approach to income recognition for the main customer contract types:

Contract type	Point-of-revenue recognition	Judgements applied
Registration and annual fees from social care and early years providers	Revenue to be recognised over a period of time	For annual fees, Ofsted assessed that its obligations are fulfilled by maintaining the customer's registration over the period the fee covers and the control of the benefits is simultaneously received by the customer (the right to continue operating as a registered provider). Therefore, the revenue received for annual fees should be recognised proportionately over the 12-month period the fee covers. IFRS 15 requires Ofsted to treat as one single contract any linked contracts that have similar features, such as the timing and commercial purpose. Therefore, revenue received for registration will also be recognised proportionately over a 12-month period.
Fees for inspections of independent schools	Point-in-time recognition	The performance obligation is to carry out an inspection or related activity, and the revenue is recognised in full at the point at which this has been completed.
Income from the DfE and other government departments	Point-in-time recognition	The performance obligation is to carry out an inspection or related activity, and the revenue is recognised in full at the point at which this has been completed.

1.6 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS), known as alpha. The defined benefit schemes are unfunded. Ofsted recognises the expected cost of these elements on a systematic and rational basis over the period during which we benefit from employees' services by payment to the pension scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the pension scheme. Further details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at www.civilservicepensionscheme.org.uk.

Since 2020–21, Ofsted has not had any employees who are active members of a local government pension scheme, and has no obligation to fund any scheme liabilities or rights to any future scheme surplus.

Comparator information for 2020–21 local government pension scheme assets and liabilities is available in note 17.

1.7 Leases

All leases are accounted for under IAS 17, 'Leases'. Classification is made at the inception of the relevant lease as to whether the lease is an 'operating' or 'finance' lease.

Ofsted has two main types of operating leases: those for rental of property and of office equipment at all locations. Lease payments are charged to the SoCNE on a straight-line basis over the term of each lease.

Ofsted does not currently have any finance leases.

Ofsted reviews all existing contractual arrangements under International Financial Reporting Interpretations Committee (IFRIC) 4 – 'Determining whether an arrangement contains a lease', to determine whether individual contracts are a lease in substance but not in legal form.

1.8 Value-added tax

Most of Ofsted's activities are outside the scope of VAT and, in general, output tax does not apply. Input tax on most purchases is not recoverable unless the VAT has been incurred in the course of contracting out those services listed in the HM Treasury's 'Contracting out of services directions'. Irrecoverable VAT is charged to the relevant expenditure category in the SoCNE or included in the capitalised purchase cost of fixed assets on the SoFP. Income and expenditure are otherwise shown net of recoverable VAT.

1.9 Provisions

Provisions are recognised in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position (SoFP) date.

Provisions are discounted at the rates set annually by HM Treasury.

1.10 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised as liabilities or assets in the SoFP.

A contingent liability is disclosed when the possibility of an outflow of economic benefit to settle the obligation is more than remote. A contingent asset is disclosed when an inflow of economic benefit is probable.

In addition to contingent liabilities disclosed in accordance with IAS 37, Ofsted discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of 'Managing public money' and 'Government accounting'.

1.11 Financial instruments

Ofsted holds the following financial assets and liabilities:

- assets:
- cash
- trade receivables – current
- trade receivables – non-current
- liabilities
- trade and other payables – current
- other payables > 1 year – non-current.

Financial assets and liabilities are accounted for under IFRS 9 – Financial instruments, and IFRS 7 – Financial instruments: disclosures.

Financial assets

Ofsted does not currently have any financial assets that need to be classified as available-for-sale or financial assets that have been measured at fair value, nor does it have cash equivalents or derivative financial instruments. Cash balances are measured as the amounts received in Ofsted's bank account. Ofsted does not currently have cash equivalents.

Financial liabilities

Ofsted does not currently have financial liabilities measured at fair value, neither does it have derivative financial instruments.

1.12 Estimation techniques used and changes in accounting estimates

Ofsted applies estimation techniques for the following:

- IAS 19 annual leave accrual – the accrual is calculated by extrapolating results from a sample of 50% of employees to produce an estimated figure for the whole workforce.
- Calculating provisions – property dilapidations are estimated using the cost per square metre from previous works. Injury benefit costs involve using mortality assumptions.
- Capitalised staff costs – some, or components of, Ofsted’s intangible assets are developed by its own staff. Senior managers accountable for the development of these assets estimate the proportion of staff time to allocate. In line with IAS 38 guidance on capitalising internally generated assets, this only relates to time spent on the development phase and not the research phase.

1.13 Segmental reporting

In line with HM Treasury guidance, Ofsted has applied IFRS 8 – Operating segments in full. Ofsted’s operating segments have been identified on the basis of internal reports used to allocate resources to the segment and assess its performance. Ofsted has five reportable segments:

- inspection
- inspection support and corporate services
- strategy and policy
- income
- other.

The report reviewed by the Accounting Officer (chief operating decision maker) and the executive board has more detail. The operating segments reported are an aggregation of that information. Segmental information for total assets and liabilities is not regularly reported to the chief operating decision-maker and in compliance with the FRoM, it has not been produced in the accounts. This is in line with the reporting requirements of IFRS 8.

1.14 Going concern

Ofsted is expected to continue as a going concern and is not aware of any information or events, either during 2021–22 or following the year end, including COVID-19, that may affect this status.

Ofsted’s budget for the next three years (2022–23 to 2024–25) has been agreed with HM Treasury through the Spending Review 2021 process. It has accordingly been considered appropriate to adopt a going-concern basis for the preparation of these financial statements.

1.15 Accounting standards in issue but not yet effective

Ofsted has considered the accounting standards in issue but not yet effective at the reporting date. Our assessment of these changes is as follows:

IFRS 16 Leases

IFRS 16 was applicable for reporting periods beginning from 1 January 2019. Due to the ongoing COVID-19 pandemic, HM Treasury delayed mandatory application of IFRS 16 by government departments until 1 April 2022. Ofsted expects to apply IFRS 16 from 1 April 2022.

The new standard will remove the distinction between operating and finance leases for lessees and will require right of use assets and lease liabilities to be recognised in the Statement of Financial Position for all leases with a term of more than 12 months, unless the underlying asset is of low value.

HM Treasury has adapted IFRS 16 to expand the definition of a contract to include intra-UK government agreements where non-performance may not be enforceable by law. This is particularly relevant where government departments rent property from other departments.

HM Treasury has withdrawn the accounting policy choice to apply IFRS 16 retrospectively to each prior reporting period presented in accordance with IAS 8. At the date of initial application, therefore, Ofsted will recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of taxpayers' equity.

HM Treasury has also withdrawn the option to reassess whether a contract is, or contains, a lease at the date of initial application. Ofsted will therefore initially apply IFRS 16 to any contracts previously identified as a lease, or containing a lease, under IAS 17 and will not apply IFRS 16 to any contracts not previously identified as such.

Work has been carried out during the year to prepare for the transition to the new standard. We have a small number of leases that are within scope of IFRS 16 and all relate to the lease of office accommodation. The minimum lease commitment at 31 March 2022 was £14 million.

IFRS 16 does not require the recognition of assets or liabilities for leases where the underlying asset is of low value. HM Treasury has mandated the election of this option, and Ofsted will therefore recognise lease payments for low value assets as an expense. The threshold for low value assets will mirror that of the capitalisation threshold in section 1.2.

IFRS 16 similarly does not require the recognition of assets or liabilities for leases of 12 months or less. Again, HM Treasury has mandated the election of this option, requiring short-term leases to be recognised as an expense. Ofsted has a small number of leases that will have fewer than 12 months remaining on initial application of IFRS 16.

On transition, HM Treasury has mandated the option to recognise right of use assets at an amount equal to the initial lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of initial application.

On initial application of IFRS 16 Ofsted will recognise right-of-use assets and lease liabilities for each identified lease, based on the present value of future cash flows for each lease over the applicable lease term determined in accordance with the new standard.

Ofsted expects to recognise the following lease liability opening balances in 2022–23:

	£'000
IAS 17 operating lease commitments as at 31 March 2022 per note 8	14,018
Less leases to be treated as short term on initial adoption of IFRS 16	(53)
Less non-IFRS 16 lease elements included in IAS 17	(826)
Add other lease elements not included in IAS 17	819
Adjustment for discounting of future cashflows	(451)
Expected IFRS 16 lease liability at 1 April 2022	13,507

IFRS 17 Insurance contracts

This standard is expected to replace IFRS 4 from 1 April 2023. The scope of the standard covers insurance contracts issued and reinsurance contracts issued or held. Ofsted does not have any insurance contracts it recognises under IFRS 4 and does not expect to under IFRS 17. Review work will be undertaken to provide assurance over this in advance of the effective date.

2. Statement of operating costs by operating segments

	2021–22					
	Inspection	Inspection support and corporate services	Strategy and policy	Income	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	82,994	52,288	19,427	–	4,476	159,185
Income	–	–	–	(31,298)	(48)	(31,346)
Net expenditure	82,994	52,288	19,427	(31,298)	4,428	127,839

	2020–21					
	Inspection	Inspection support and corporate services	Strategy and policy	Income	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	71,522	49,755	18,617	–	3,798	143,692
Income	–	–	–	(28,102)	(77)	(28,179)
Net expenditure	71,522	49,755	18,617	(28,102)	3,721	115,513

Ofsted's net operating costs have increased by £12.3 million (11%) since 2020–21. In 2020–21 routine inspection activity was paused as a result of the COVID-19 pandemic. As a result, variable costs reduced significantly, such as travel and use of contracted inspectors to deliver inspections and travel costs. Ofsted returned to routine inspection in 2021–22, which resulted in these costs returning towards pre-pandemic levels. You can find further information about the return to routine inspection earlier in this report.

Factors used to identify the reportable segments

The Accounting Officer and executive board review the resource allocated to each segment on a regular basis. The report reviewed by the Accounting Officer and the executive board has more granular directorate-level information, but the information can be easily mapped to each operating segment in line with the reporting requirements of IFRS 8 'Operating segments'.

Description of segments

Inspection

The costs of direct inspection delivery and management.

Inspection support and corporate costs

The costs of this segment include: inspection support; inspector training; regulatory activity; and corporate functions, including IT, HR, property and finance.

Strategy and policy

The costs of this segment include: inspection policy and framework development; inspection quality assurance; corporate strategy; research and evaluation; and external engagement.

Income

Fees and charges arising from inspection and regulation activity.

Other

This includes depreciation and movements in provisions.

3. Expenditure

		2021–22	2020–21
	Reference	£'000	£'000
Staff costs:			
Wages and salaries		92,988	90,794
Social security costs		9,971	9,711
Apprentice levy		431	420
Pension costs		23,587	23,303
Exit costs		473	179
Goods and services:			
Contracted inspection costs		7,462	376
Digital and IT costs		7,847	6,182*
Other contracted professional services		569	429*
Estates costs, including rent, rates, facility management and security		4,863	4,763
Travel and subsistence costs		4,261	641
Legal costs		245	162
Recruitment, training and staff related costs		1,221	791
Stationery, printing, postage and office equipment		429	485
Equipment purchases (non-capital)		883	1,306
Other expenditure		470	120
Non-cash items:			
Increase/decrease in provisions	13	151	4
Depreciation	5	386	479
Amortisation	6	2,805	3,336
Auditor's remuneration and expenses		76	69
Training – Apprentice Levy		34	77
Other non-cash costs		33	65
Total		159,185	143,692

* Prior year comparator information for 'digital and IT costs' and 'other contracted professional services' has been reclassified. In 2020–21 the 'digital and IT costs' category was named 'ICT – outsourcing, maintenance and support of infrastructure, and telecoms' which meant that £3.7 million of digital-related costs not falling within the scope of this category were included in 'contracted professional services'.

4. Income

4.1 Revenue from contracts with customers and other operating income

	2021–22	2020–21
	£'000	£'000
Social care (registration and annual fees)	12,419	10,502
Early years (registration and annual fees)	6,166	6,079
Independent schools	1,826	1,119
DfE income	9,164	7,725
Other government department/other income	1,459	983
Sub-total revenue from contracts with customers	31,034	26,408
Grant income – apprentice levy (non-cash)	34	77
Grant income – DWP Kickstart scheme	14	–
Other operating income	48	77
Total income within the ambit	31,082	26,485
CFER	264	1,694
Total payable to the consolidated fund	264	1,694
Total income	31,346	28,179

4.2 Details of contracts with customers

The following additional disclosure supplements section 1.4 (Income) to provide users of the accounts with more detailed information regarding the nature of Ofsted's contracts with customers.

Contract	Social care and early years fees
Contract details	Application fees to be registered with Ofsted and annual fees to retain that registration. Under IFRS 15, both fees are treated as a single contract.
Customer details	For social care, this mainly includes adoption agencies, fostering agencies, residential special schools and children's homes. For early years, this mainly includes childminders, nannies, and nurseries.
Performance obligations	To maintain the registration over the contract duration.
Contract duration	12 months.
Revenue recognition	Revenue is recognised proportionally in each accounting period over the life of the contract duration.
Contract values	Social care fees range from £500 to £9,285 depending on the type and size of the entity. You can find more information at: www.gov.uk/guidance/apply-for-registration-as-a-childrens-social-care-provider-or-manager . Early years fees range from £35 to £220. You can find more information at: www.gov.uk/guidance/childminders-and-childcare-providers-register-with-ofsted/fees .
Other information	All fees are non-refundable.

Contract	Independent schools inspection fees
Contract details	All independent schools are inspected at the direction of the DfE, which is the registration authority for independent schools. Typically, an independent school receives a pre-registration inspection and then a 'standard inspection' once every three years, plus further post-monitoring inspections depending on the outcome of the standard inspection. A fee is payable for each inspection.
Customer details	There are around 2,400 independent schools in England. Of these, Ofsted inspects around 1,150 non-association independent schools. The remaining independent schools are members of an association affiliated to the Independent Schools Council and are inspected by the Independent Schools Inspectorate (ISI).
Performance obligations	Completion of the inspection activity.
Contract duration	The contract duration lasts for the length of the inspection activity.
Revenue recognition	The full contract price is recognised at the point in time when the inspection has been completed.
Contract values	Standard inspection fees range from £1,200 to £8,250 depending on numbers of pupils and are payable in three equal instalments over three years. A fixed fee of £2,500 is payable for pre-registration inspections. Post-monitoring inspection fees range from £300 to £3,000 depending on numbers of pupils and whether it is a first or subsequent post-monitoring inspection. These are payable in full on completion of the inspection.
Other information	You can find more information on independent schools inspections at: www.gov.uk/guidance/being-inspected-as-a-non-association-independent-school .

Contract	Income from the DfE and other government departments
Contract details	Charges for specific pieces of inspection activity, the largest components are: <ul style="list-style-type: none"> – inspection of newly funded apprenticeship training providers: £4.8 million – inspecting local area provision for special educational needs and disabilities (area SEND) and development of a new framework: £2.1 million – inspection of education and training in prisons: £0.9 million
Customer details	Government departments, including the DfE, MoJ and the Education and Skills Funding Agency (ESFA).
Performance obligations	Completion of the inspection activity.
Contract duration	Contract durations are variable and are set by a memorandum of understanding between Ofsted and the relevant department.
Revenue recognition	The full contract price is recognised at the point in time when the inspection activity has been completed.
Contract values	These vary between each contract, but the most significant ones are: <ul style="list-style-type: none"> – monitoring of independent learning providers (ESFA) – area SEND inspections and revisits (DfE) – education and training in prisons (MoJ).

5. Property, plant and equipment

Property, plant and equipment comprises IT hardware and office equipment.

	2021–22		
	Information technology	Furniture and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2021	2,568	2,188	4,756
Additions	–	137	137
Disposals	–	(63)	(63)
Impairments	–	–	–
At 31 March 2022	2,568	2,262	4,830
Depreciation			
At 1 April 2021	2,411	883	3,294
Charged in year	52	334	386
Disposals	–	(63)	(63)
Impairments	–	–	–
At 31 March 2022	2,463	1,154	3,617
Carrying amount at 31 March 2022	105	1,108	1,213
Carrying amount at 1 April 2021	157	1,305	1,462
Asset financing			
Owned	105	1,108	1,213
Finance leased	–	–	–
Carrying amount at 31 March 2022	105	1,108	1,213

	2020–21		
	Information technology	Furniture and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	2,568	2,158	4,726
Additions	–	129	129
Disposals	–	(99)	(99)
At 31 March 2021	2,568	2,188	4,756
Depreciation			
At 1 April 2020	2,244	670	2,914
Charged in year	167	312	479
Disposals	–	(99)	(99)
At 31 March 2021	2,411	883	3,294
Carrying amount at 31 March 2021	157	1,305	1,462
Carrying amount at 1 April 2020	324	1,488	1,812
Asset financing			
Owned	157	1,305	1,462
Carrying amount at 31 March 2021	157	1,305	1,462

6. Intangible assets

Intangible assets comprise purchased software licences and bespoke IT systems developed in partnership with external suppliers.

	2021–22		
	Software	Development expenditure	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2021	20,974	1,212	22,186
Additions	741	2,957	3,698
Disposals	(150)	–	(150)
Reclassifications and transfers	1,106	(1,106)	–
At 31 March 2022	22,671	3,063	25,734
Amortisation			
At 1 April 2021	12,309	–	12,309
Charged in year	2,805	–	2,805
Disposals	(150)	–	(150)
At 31 March 2022	14,964	–	14,964
Carrying amount at 31 March 2022	7,707	3,063	10,770
Carrying amount at 1 April 2021	8,665	1,212	9,877
Asset financing			
Owned	7,707	3,063	10,770
Finance leased	–	–	–
Carrying amount at 31 March 2022	7,707	3,063	10,770

	2020–21		
	Software	Development expenditure	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	39,995	153	40,148
Additions	968	1,212	2,180
Disposals	(20,142)	–	(20,142)
Reclassifications and transfers	153	(153)	–
At 31 March 2021	20,974	1,212	22,186
Amortisation			
At 1 April 2020	29,115	–	29,115
Charged in year	3,336	–	3,336
Disposals	(20,142)	–	(20,142)
At 31 March 2021	12,309	–	12,309
Carrying amount at 31 March 2021	8,665	1,212	9,877
Carrying amount at 1 April 2020	10,880	153	11,033
Asset financing:			
Owned	8,665	1,212	9,877
Carrying amount at 31 March 2021	8,665	1,212	9,877

7. Impairments

The total impairment charge for the year was nil (2020–21: nil).

8. Capital and other commitments

8.1 Operating leases

Total future minimum lease payments under operating leases are analysed in the table below.

	2021–22	2020–21
	£'000	£'000
Obligations under operating leases comprise		
Buildings		
Not later than one year	3,178	2,979
Later than one year and not later than five years	9,261	8,823
Later than five years	1,579	2,009
Total	14,018	13,811

Operating leases relate to office space.

8.2 Capital commitments

The total capital commitments at the year end was nil (2021–22: nil).

8.3 Other financial commitments

Ofsted has entered into non-cancellable contracts (which are not a lease or private finance initiative contract) mainly for digital-related services.

The payments to which Ofsted is committed, analysed by the period during which the payment is due, are as follows.

	2021–22	2020–21
	£'000	£'000
Not later than one year	400	1,100
Later than one year and not later than five years	–	–
Later than five years	–	–
Total	400	1,100

9. Financial instruments

Ofsted's cash requirements are met through the Estimates process. Therefore, financial instruments play a more limited role in creating and managing risk than would apply to a non-public-sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items, and the department is therefore exposed to little credit, liquidity or market risk.

10. Cash and cash equivalents

	2021–22	2020–21
	£'000	£'000
Balance at 1 April	339	1,344

	2021-22	2020-21
	£'000	£'000
Net changes in cash and cash-equivalent balances	1,105	(1,005)
Balance	1,444	339

	2021-22	2020-21
	£'000	£'000
The following balances at 31 March were held at:		
Government Banking Service	1,444	339
Balance	1,444	339

11. Trade receivables, financial and other assets

	2021-22	2020-21
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	6,761	5,785
Deposits and advances	110	180
Other receivables	83	143
Prepayments	1,712	1,032
Accrued income	731	673
VAT	152	186
	9,549	7,999
Amounts falling due after more than one year:		
Trade receivables	–	–
Deposits and advances	126	113
Prepayments	138	–
	264	113
Total trade receivables	9,813	8,112

12. Trade payables and other current liabilities

	2021–22	2020–21
	£'000	£'000
Amounts falling due within one year:		
Trade payables	256	90
Other payables	2,858	2,863
Other taxation and social security	3,238	2,861
Accruals	7,617	4,829
Contract liabilities	8,318	8,309
CFER payable to the consolidated fund	264	1,694
Deferred income	219	678
Amounts issued from the consolidated fund supply but not spent at year end	1,444	339
	24,214	21,663
Amounts falling due after more than one year:		
	–	–
Total trade payables	24,214	21,663

13. Provisions for liabilities and charges

	2021–22				2020–21
	Property dilapidation	Injury benefits	Other	Total	
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	448	682	–	1,130	1,241
Provided in the year	62	73	16	151	–
Provisions not required written back	–	–	–	–	–
Provisions used in the year	–	(47)	–	(47)	(115)
Borrowing costs (unwinding of discount)	–	–	–	–	4
Balance at 31 March 2022	510	708	16	1,234	1,130

Analysis of expected timing of discounted flows

	2021–22			
	Property dilapidation	Injury benefits	Other	Total
	£'000	£'000	£'000	£'000
Not later than one year	15	49	16	80
Later than one year and not later than five years	277	167	–	444
Later than five years	218	492	–	710
Balance at 31 March 2022	510	708	16	1,234

13.1 Property dilapidation

Ofsted leases all of the property it uses. It is a standard contractual requirement that the lessee returns leased estate in good order at the end of the lease period and makes good any dilapidation. These costs will materialise at the end of each respective lease.

13.2 Injury benefits

This provision relates to staff who have been injured at work and are receiving benefits through the Civil Service Pensions Injury Benefit Scheme.

13.3 Other

This provision relates to a small number of legal claims and employee exit costs.

14. Contingent liabilities

A small number of legal cases are not yet settled. Their outcomes depend on the court or the relevant decision-making body's rulings. Therefore, no liability has been recognised in the financial statements. No material liabilities are expected to arise from these cases.

15. Contingent asset disclosed under IAS 37

Ofsted has no contingent assets to disclose.

16. Related-party transactions

16.1 Transactions between Ofsted and other government departments

Ofsted has had material transactions* with the following other government departments, central government bodies and other public sector organisations during the year:

- Cabinet Office
- Department for Education
- Education and Skills Funding Agency
- HM Revenue and Customs.

Ofsted has had non-material transactions with various other government bodies/agencies during the year.

**Ofsted has changed its approach to how it assesses materiality for the entities disclosed in this note to ensure consistency with the requirements of the FReM. The materiality threshold used has been increased to align with the external audit view of materiality in Ofsted's financial statements. In addition to this, materiality has also been assessed from the viewpoint of the related party.*

16.2 Transactions between Ofsted and board members and key managers

No board member, key manager or other related party has undertaken any material transactions with Ofsted during the year. Full details of the related parties are disclosed in the directors' report.

17. Pension arrangements – Local Government Pensions Scheme defined benefit scheme disclosure

In 2020–21 Ofsted ceased to be a member of the West Yorkshire Pension Scheme. At this point, an actuarial valuation was carried out which identified a surplus payable to Ofsted. This payment was received and accounted for in 2020–21. Ofsted has no obligation to fund any future scheme liabilities or rights to any future scheme surplus.

The disclosures below provide comparator information for 2020–21 in line with IAS 19, 'Retirement benefits'.

i) Reconciliation of opening and closing balances of the net pension asset in the SoFP:

	Year to 31 March 2022	Year to 31 March 2021
	£'000	£'000
Surplus/(deficit) at the beginning of the year	–	102
Exit credit received from the LGPS	–	(314)
Total recognised in other comprehensive income	–	212
Surplus/(deficit) at the end of the year	–	–

ii) Analysis of the amount charged to other comprehensive income:

	Year to 31 March 2022	Year to 31 March 2021
	£'000	£'000
Remeasure (gains)/losses on assets	–	102
Exit credit received from the LGPS	–	(314)
Total recognised in other comprehensive net expenditure	–	(212)

iii) Movement in benefit obligation during the year:

	Year to 31 March 2022	Year to 31 March 2021
	£'000	£'000
Opening defined benefit obligation	–	5,358
Actuarial losses/(gains)	–	1,400
Closing defined benefit obligation	–	6,758

iv) Movements in fair value of scheme assets during the year:

	Year to 31 March 2022	Year to 31 March 2021
	£'000	£'000
Opening fair value of scheme assets	–	6,506
Actuarial gains and (losses)	–	566
Fair value of scheme assets at end of period	–	7,072

v) History of surplus/(deficit) and of experience gains and losses:

	Year to 31 March 2022	Year to 31 March 2021	Year to 31 March 2020	Year to 31 March 2019
	£'000	£'000	£'000	£'000
Defined benefit obligation	–	(6,758)	(5,358)	(5,607)
Fair value of scheme assets	–	7,072	6,506	7,233
Surplus/(deficit)	–	314	1,148	1,626
Unrecognised asset	–	–	(1,046)	(1,061)
Exit credit paid by LGPS recognised in the SoCNE	–	(314)	–	–
Net asset/(liability) in SoFP	–	–	102	565

18. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There have been no events after the reporting period requiring an adjustment to the financial statements, or non-adjusting events requiring disclosure.

Appendix A: Core expenditure tables

Table 1 – Total departmental spending, 2017–18 to 2024–25

	2017–18 Outturn	2018–19 Outturn	2019–20 Outturn	2020–21 Outturn	2021–22 Outturn	2022–23 Plans	2023–24 Plans	2024–25 Plans
Resource DEL								
Administration and inspection	129,136	125,383	130,782	116,343	126,822	157,782	137,047	137,098
Total resource DEL	129,136	125,383	130,782	116,343	126,822	157,782	137,047	137,098
Of which:								
Staff costs	106,654	108,005	116,166	124,407	127,450	205,682	194,414	198,013
Purchase of goods and services	38,010	33,589	36,080	12,065	24,632	–	–	–
Income from sales of goods and services	(21,049)	(21,516)	(27,262)	(26,485)	(31,082)	(55,435)	(62,022)	(65,570)
Rentals	2,878	2,354	2,398	2,472	2,555	–	–	–
Depreciation ¹	2,575	2,883	3,331	3,815	3,191	7,535	4,655	4,655
Other resource	68	68	69	69	76	–	–	–
Resource AME								
Activities to support all functions	(151)	(717)	(286)	(111)	104	(42)	–	–
Total resource AME	(151)	(717)	(286)	(111)	104	(42)	–	–
Of which:								
Take up of provisions	611	305	12	4	151	–	–	–
Release of provision	(762)	(1,022)	(298)	(115)	(47)	(42)	–	–
Total resource budget	128,985	124,666	130,496	116,232	126,926	157,740	137,047	137,098
Of which:								
Capital DEL								
Administration and inspection	7,405	6,098	3,826	3,284	5,012	4,149	3,500	3,500
Total capital DEL	7,405	6,098	3,826	3,284	5,012	4,149	3,500	3,500
Of which:								
Purchase of assets	6,198	4,040	2,065	2,309	3,835	3,500	3,500	3,500
Right of use assets (IFRS 16)	–	–	–	–	–	649	–	–
Research costs (ESA 10)	1,207	2,058	1,761	975	1,177	–	–	–
Total capital budget	7,405	6,098	3,826	3,284	5,012	4,149	3,500	3,500
Total departmental spending²	133,815	127,881	130,991	115,701	128,747	154,354	135,892	135,943
Of which:								
Total DEL	133,966	128,598	131,277	115,812	128,643	154,396	135,892	135,943
Total AME	(151)	(717)	(286)	(111)	104	(42)	–	–

1. Includes impairments.

2. Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget.

Resource DEL is made up of income and expenditure from normal operating activities.

Resource AME relates to expenditure that meets the criteria of an accounting provision in the relevant accounting standard.

Capital DEL relates to investment in assets and includes research costs which meet specific criteria to be classified as Capital DEL.

Table 2 – Administration budget, 2017–18 to 2024–25

	2017–18 Outturn	2018–19 Outturn	2019–20 Outturn	2020–21 Outturn	2021–22 Outturn	2022–23 Plans	2023–24 Plans	2024–25 Plans
Resource DEL								
Administration and inspection	14,654	14,624	15,811	15,756	15,527	21,707	21,758	21,809
Total administration budget	14,654	14,624	15,811	15,756	15,527	21,707	21,758	21,809
Of which:								
Staff costs	10,680	11,135	12,031	12,049	12,123	16,409	21,758	21,809
Purchase of goods and services	3,230	2,929	3,125	2,835	2,801	5,235	–	–
Rentals	415	321	353	407	375	–	–	–
Depreciation	112	171	233	217	152	–	–	–
Other resource	217	68	69	68	76	63	–	–

Appendix B: Whistle-blowing disclosures report (social care) – from 1 April 2021 to 31 March 2022

HMCI is a ‘prescribed person’ under The Public Interest Disclosure (Prescribed Persons) Order 2014, which provides the statutory framework for protecting workers from harm if they blow the whistle on their employer. Workers may tell the relevant prescribed person about suspected wrongdoing that they believe may have occurred, including crimes and regulatory breaches. Passing information like this is known as making a ‘disclosure’.

HMCI is prescribed under the order in relation to children’s social care services and the welfare of children provided with accommodation by schools and colleges. All relevant services are listed in Figure 1.

Figure 1: The number of workers’ disclosures received in the reporting period, which we reasonably believe are both qualifying disclosures and fall within HMCI’s prescribed matters³³

The children’s social care services that the disclosure related to	Number of disclosures received ³⁴
Adoption support agencies	0
Cafcass	0
Children’s homes	254
Independent fostering agencies	16
Local authority children’s services ³⁵ (this includes disclosures about trusts that deliver services on behalf of local authorities)	101
Residential family centres	6
Residential holiday schemes for disabled children	0
Welfare of children provided with accommodation by boarding schools and further education colleges	1
Welfare of children provided with accommodation by residential special schools	0
Voluntary adoption agencies	0

33. To be covered by the whistle-blowing law, the disclosure must be a ‘qualifying disclosure’. This is any disclosure of information that, in the reasonable belief of the worker making the disclosure, is made in the public interest and tends to show that one or more of the following has occurred, is occurring or is likely to occur: a criminal offence; a breach of legal obligation; a miscarriage of justice; danger to the health or safety of any individual; damage to the environment; or the deliberate covering up of wrongdoing in these categories.

34. Sometimes we receive concerns from more than one whistle-blower about the same issue in a service. In these circumstances, we may record these in a single record so that we can respond to the concerns as a whole.

35. Local authority functions as outlined in the Schedule to The Public Interest Disclosure (Prescribed Persons) Order 2014; <https://www.legislation.gov.uk/uksi/2014/2418/made>.

Figure 2: A summary of the action Ofsted has taken in respect of the above qualifying disclosures

Action taken in the reporting period	Number of disclosures received ³⁶
Referred the matter to the child protection team in the relevant local authority. We refer child protection concerns to the children's social care department of the local authority where the child lives as it has overarching responsibility for safeguarding and promoting the welfare of all children and young people in its area.	33
Contacted the appropriate person at the children's social care service and asked them to investigate and respond to Ofsted with more information. We do this because we need further information to make a decision about possible further action required.	166
Carried out a monitoring visit (this action applies only to services that Ofsted regulates) if we considered that the registered person is failing, or has failed, to comply with a regulatory requirement. This category includes when we were already monitoring a provider and the whistleblowing disclosure informed this work.	60
The information received informed compliance and enforcement action. ³⁷	7
Reviewed the timing of the next inspection/visit and brought it forward if appropriate.	54
Held the information for follow-up at the next planned inspection/visit. We review information received along with a range of other intelligence gathered about a service to determine when we need to inspect and what lines of enquiry we need to follow up on.	144
Passed the information to another organisation as it was not for Ofsted to take action.	4
Our review of the information received is ongoing. ³⁸	11
Other action taken not included in other categories above.	27

Figure 3: A summary of the overall categories under which the whistleblowing disclosures were classified

Category	Number of disclosures received ³⁹
Concerns that a specific child or children may be at risk of harm.	52
Concerns that there are wider or systemic failures in safeguarding practice.	67
Concerns that children are not receiving the right quality of care but that do not suggest a risk to their safety.	143
Concerns that a social care service is not meeting regulatory requirements.	67
Concerns about the quality of leadership and management. ⁴⁰	31
Concerns relating to workforce, including recruitment, training, qualifications, experience. ⁴¹	7
Our review of the information received is ongoing. ⁴²	11

We use the categories above to help us assess the urgency of the issues disclosed and take action within appropriate timescales.

Ofsted receives whistle-blowing disclosures in letters, emails, and through our helpline. Sometimes the information is provided anonymously.

36. It is possible that a disclosure received resulted in more than one type of action.

37. 'Social care: Ofsted's enforcement policy', Ofsted, October 2014; <https://www.gov.uk/government/publications/social-care-compliance-handbook-from-september-2014>.

38. Due to the information being received at the end of the reporting year, the information was under consideration.

39. It is possible that a disclosure received includes concerns from more than one category and we have used the category that provides the best fit.

40. This category relates to disclosures received about local authority children's services.

41. This category relates to disclosures received about local authority children's services.

42. Due to the information being received at the end of the reporting year, the information was under consideration.

Appendix C: Staff profiles

Ofsted's current grade structure broadly compares with the wider Civil Service grades.

Administrative, professional and technical (APT) job family:

- Senior Civil Service
- Principal Officer (Civil Service equivalent – Grade 6)
- Band A APT (Civil Service equivalent – Grade 7)
- B1 APT (Civil Service equivalent – Senior executive officer)
- B2 APT (Civil Service equivalent – Higher executive officer)
- B3 APT (Civil Service equivalent – Executive officer)
- C1 APT (Civil Service equivalent – Administrative officer)

Inspector job family:

- Senior Civil Service
- Senior HMI (Civil Service equivalent – Grade 6)
- HMI (Civil Service equivalent – Grade 7)
- Regulatory Inspection Manager (RIM) (Civil Service equivalent – Grade 7)
- B1 Inspector (Civil Service equivalent – Senior executive officer)
- B2 Inspector (Civil Service equivalent – Higher executive officer)

Age profile of employees

	% in 2020	% in 2021	% in 2022
16 to 29	9	9	7
30 to 39	23	22	22
40 to 49	28	29	31
50 to 59	31	31	31
60 to 64	7	7	7
65+	2	2	2

Disability profile of employees

	% in 2020	% in 2021	% in 2022
Disabled	6	8	8
Not disabled	84	83	83
Unknown/undeclared	10	10	9

Ethnicity profile of employees

	% in 2020	% in 2021	% in 2022
White	84	85	85
Ethnic minority	11	11	10
Unknown/undeclared	5	4	4

Faith profile of employees

	% in 2020	% in 2021	% in 2022
Religious belief	52	52	51
No religious belief	36	37	39
Unknown/undeclared	12	11	10

Sex profile of employees

	% in 2020	% in 2021	% in 2022
Male	33	33	32
Female	67	67	68

Sexual orientation of employees

	% in 2020	% in 2021	% in 2022
Heterosexual	80	80	82
LGB/Other	6	7	7
Unknown/undeclared	14	12	11

Notes

1. Data is as at 31 March.
2. Directly employed Ofsted staff only.
3. Percentages are rounded and may not add to 100.
4. Percentages calculated with less than five individuals are not shown in this table.
5. Christian, Muslim, Hindu, Other, Sikh, Jewish, Buddhist included in religious belief group (listed in order of size within Ofsted).
6. Eleven staff in 2021 did not have age information. These have been removed for comparability with previous years.

Appendix D: Sustainability data

Financial and non-financial data relating to the sustainability section of the performance report.

Greenhouse gas emissions

		2017-18	2018-19	2019-20	2020-21	2021-22
Non-financial indicators (tonnes CO2e)	Total gross scope 2 (energy indirect) emissions	642	337	334	257	260
	Total gross scope 3 (official business travel) emissions	1,429	1,379	1,186	218	300
Total Emissions – Scope 2 and 3		2,071	1,716	1,520	475	560
Related energy consumption (kWh)	Electricity: Non-renewable	1,056,192	920,584	894,172	694,799	763,900
	Gas	639,253	417,277	573,035	518,961	547,400
Total energy consumption		1,695,445	1,337,861	1,467,207	1,213,760	1,311,300
Financial indicators (£'000)	Expenditure on energy	180	160	170	160	180
	Expenditure on official business travel	3,547	3,474	3,135	357	1,718
	Expenditure on air travel	31	25	21	1	9
Total expenditure on energy and business travel (£'000)		3,758	3,659	3,326	518	1,907

Data on emissions and consumption in the above table has had to be estimated for the final quarter of 2021-22 as it was not available from energy suppliers and landlords at the time of production. Expenditure on energy for all years is also estimated based on unit costs from energy suppliers. Charges for energy use by landlords are not always broken down to this level, as they are generally part of an overall service charge.

Ofsted does not own or control any sources of direct energy emissions.

Business travel

Business travel		2017-18	2018-19	2019-20	2020-21	2021-22
Non-financial indicators (tonnes CO2e)	Flights	18	19	19	1	5
	Rail	385	307	253	3	72
	Car	1,025	1,053	914	214	222
Total emissions		1,428	1,379	1,186	218	299

Waste

Waste			2017-18	2018-19	2019-20	2020-21	2021-22
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill	7	7	4	0	6
		Reused/Recycled	40	55	72	19	13
	Incinerated/energy from waste	5	4	2	2	18	
Total waste			52	66	78	21	37

Water consumption

Water consumption			2017-18	2018-19	2019-20	2020-21	2021-22
Non-financial indicators (m3)	Water consumption	Office estate	4,931	4,329	5,328	2,872	1,878
Financial indicators (£'000)	Water supply and sewage costs		12	15	12	11	5

