

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



Annual Report and Accounts 2022–23

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Correction: to be made on page 30;

<https://www.gov.uk/government/publications/ofsted-corporate-annual-report-and-accounts-2022-to-2023>

Text currently reads:

We have enforcement and prosecution powers to manage unregistered early years provision. This year, we investigated 290 unregistered early years settings.

Some of these were deemed unregistered as the legal entity owning them had changed, which requires a new registration, but they were still fundamentally operating as before. Where there are no concerns about a new provider, we expedite the process.

We also issued 14 enforcement notices against people operating as potentially unregistered childminders.

Text should read:

We have enforcement and prosecution powers to manage unregistered early years provision. This year, we investigated 530 unregistered early years settings.

Some of these were deemed unregistered as the legal entity owning them had changed, which requires a new registration, but they were still fundamentally operating as before. Where there are no concerns about a new provider, we expedite the process.

We also issued enforcement notices against people operating as potentially unregistered childminders.

Date of correction: 26 March 2025

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

Annual Report and Accounts 2022–23

(For the period 1 April 2022 to 31 March 2023)

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Overview by His Majesty's Chief Inspector

This year was Ofsted's first full year of inspection activity since the pandemic began. We carried out over 43,000 inspections, visits and interviews across all our remits. This was not just a return to business as usual: we have been funded through the Spending Review to inspect every state-funded school at least once between April 2021 and July 2025. This includes all the outstanding schools that were previously due to be inspected by July 2026, after the lifting of their exemption from routine inspection. Some of these schools had not been inspected for as much as 15 years. And while strikes did have some impact on our schedule, we were able to mitigate against this by planning our work around strike dates.

Our regulatory work has also expanded. We will be regulating supported accommodation for children in care, in addition to children's homes. The preparatory work is complete; we began accepting registration applications in April 2023 and will begin inspecting in 2024.

Towards the end of the year, we were greatly saddened by the death of Ruth Perry, headteacher of Caversham Primary School in Reading. Our thoughts are with Ruth's family and with the school community. In the following months, there has been much discussion of school inspection and the wider accountability system. We have been listening to voices in the sector and have had useful discussions with union leaders and other sector representatives as well as the Department for Education.

We continue to do what we can to minimise unnecessary pressure in the system. In June, we made an announcement to make clearer when schools can broadly expect to be inspected and we have made improvements in other areas. These will be reflected in our handbooks.

This year, we set a new five-year strategy, building on what we accomplished in the preceding five years. The strategy sits in the context of a post-pandemic world and reflects the same aim: to be a force for improvement in the context of high ambitions for children and learners. The new strategy includes a policy aim for early years: 'the best start in life'. We recognise the good work nurseries and childminders are doing to help children make up for experiences they lost during the pandemic and are increasing our support for early education. Through specialist training for inspectors and through sharing our insights, we will do all we can to help every child get the best start in life. This year, 80% of early years practitioners have found that at least one Ofsted publication or other output helped them improve their practice.

The strategy also includes a priority to make the most of our insights. Our role allows us to use what we learn from our inspection and regulatory work, drawing on the practice and expertise of hundreds of thousands of expert practitioners in education and children's social care. We aggregate and disseminate our evidence, data and research to inform decision-makers, practitioners and others. This year, we have published a number of reports – in particular our subject reports and the first of a set of early years research reviews. We know from sector discussions as well as website analytics that these are eagerly received and have an extensive reach. I am pleased that as an inspectorate we have rebuilt the capacity to make the most of our evidence for the benefit of practitioners.

This is my seventh and last Annual Report and Accounts. I remain immensely proud to lead an organisation made up of knowledgeable, hard-working and dedicated experts. Our collective focus on children and learners never wavers. Our staff make this a great place to work, and I am confident that Ofsted will continue to be guided by its mission – to raise standards and improve lives.

Amanda Spielman
His Majesty's Chief Inspector

11 July 2023

Overview by the Chair

As chair of the board, I am delighted to highlight two significant milestones: the launch of our 2022–27 strategy and the addition of six new board members.

Launched on 26 April 2022, the five-year strategy commits to an increased focus on early years and raises further our ambitions for children and learners. The board is better placed than ever to support the executive team with this task and our six new members bring a wealth of experience, skills and expertise to assist. This broad knowledge enables us to address strategic issues and has developed our collaboration with the executive team.

Throughout the year, we have overseen Ofsted’s performance against our strategic objectives during regular board meetings. Through detailed analyses and focused discussions of individual strategic priorities, we remain committed to driving progress and achieving our shared goals. We are currently in the first year of our strategic journey and there remains substantial work ahead, accompanied by the inevitability of new challenges. I look forward to keeping you informed of our progress and insights in next year’s report.

With publication of the new strategy, the strategic risk register was revised to ensure that it aligns with our strategic priorities. The audit and risk assurance committee played a central role in this review, offering advice to HMCI and the board on the measures taken to manage risks.

Following the completion of an independent board effectiveness review in December 2022, we have successfully implemented its recommendations. Our board meetings now focus on strategic issues and risks, allowing our collective expertise to have the greatest impact. We have also made important updates to our corporate governance framework, which outlines the roles, responsibilities and operating context of the board, to foster good governance practices.

I am delighted to report that, based on the work carried out during the financial year 2022–23, our Head of Internal Audit has provided a ‘Substantial’ opinion for the fourth consecutive year, affirming the adequacy and effectiveness of our governance, risk management and control framework. We owe this achievement to the dedicated efforts of Ofsted’s staff, whose commitment has made it possible.

I also wish to thank my fellow board members, Amanda and her team for their dedication and support throughout the year. This will be Amanda’s final year with Ofsted after seven years of service and numerous achievements. As a united board, we are committed to supporting the executive team during this period of transition.

We approach the end of the year with a new strategy firmly in place, a heightened understanding of risk, and a strengthened partnership between the board and the executive. Looking forward, we at Ofsted remain resolute in our commitment to drive improvement and to play a substantial role in ensuring that providers of education, training and care services in England deliver to the highest standards for children, students and all who rely on our services.

Dame Christine Ryan
Chair



PERFORMANCE REPORT

About us

Ofsted's role

Ofsted's role is to make sure that those educating, training and caring for children and students in England do so to a high standard. There are thousands of these organisations, and their work helps the next generation to realise its full potential.

How we carry out our role

We carry out our role through independent inspection and regulation using a workforce of directly employed inspectors and directly contracted inspectors, the vast majority being serving practitioners. We inspect schools, further education and skills providers, childminders, nurseries, children's social care, initial teacher education (ITE), early career framework (ECF) and national professional qualification (NPQ) lead providers and provision for children with special educational needs and/or disabilities (SEND).

Inspection is an independent assessment of the quality of provision for parents and carers, commissioners, multi-academy trusts, policymakers 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 across the country: what works well and what does not.

In early years and children's social care, we are also the regulator. We have a wide range of tools to assess and respond to risks to children, which allows us to determine whether providers are fit to provide services. We take regulatory action, including enforcement action, against those that are not.

Our strategy 2022–27 sets out our guiding principle: to be a force for improvement through the intelligent, responsible and focused use of inspection, regulation and insights.¹

Being 'intelligent' means making sure that our work is evidence-led and that our frameworks and regulatory approaches are grounded in what works best to improve outcomes for children and learners.

Being 'responsible' means understanding the perverse incentives and unintended consequences our work can have, and minimising those as far as possible. Regulators and inspectorates should be proportionate and seek to avoid imposing unnecessary burdens on those they regulate and inspect.

Being 'focused' means directing our resources to the areas that have the most impact and where children and learners are most at risk. It means being efficient and prioritising our inspection and regulatory work to give a high level of assurance about the quality of education and care.

1. 'Ofsted strategy 2022–27', Ofsted, April 2022; <https://www.gov.uk/government/publications/ofsted-strategy-2022-to-2027/ofsted-strategy-2022-27>.



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: 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 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 how provision can be improved 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 implementing 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 publish full details of what we find each year in the Chief Inspector's Annual Report.²

2. 'The Annual Report of His Majesty's Chief Inspector of Education, Children's Services and Skills 2021/22', Ofsted, December 2022; <https://www.gov.uk/government/publications/ofsted-annual-report-202122-education-childrens-services-and-skills>.

Performance summary

Inspections

The purpose of inspection is to promote improvements and raise the standard of education and care for children and learners. We ground our inspection frameworks in evidence to help providers focus on the right things.

When we survey providers after inspection, over 90% tell us that their inspection will help them to improve. Nine to 12 months later, the majority tell us that they have used the inspection findings to inform their improvement planning. Our performance analysis section sets out further detail.

What Ofsted inspects

Name	Notes
State-funded schools	22,000 maintained schools and academies: nursery, primary, secondary and special schools and pupil referral units
	54 non-maintained special schools
Further education and skills	160 general further education colleges
	200 sixth-form and other colleges
	140 adult community education providers
	120 prisons
	1,300 independent learning providers (including employer providers)
	65 16 to 19 academies
	100 higher education institutions
	Ministry of Defence establishments
Independent education	1,170 non-association independent schools
Early years	26,900 childcare on non-domestic premises (nurseries)
	36,300 childminders, home childcarers and other childcare on domestic premises
	7 childminder agencies with 1,450 childminders on roll
Social care	152 local authority children's services
	13 secure children's homes
	1 secure training centre
	210 settings where children board (such as residential special schools)
	78 residential family centres
	390 adoption, adoption support and fostering agencies
	13 residential holiday schemes
	3,110 children's homes
Other inspections	Children and Family Court Advisory and Support Service (Cafcass)
	240 initial teacher education providers
	152 local areas

Note: The number of providers is based on providers open on 31 March 2023, at the end (rather than the start) of the 2022–23 financial year. Numbers over 100 are rounded, except for local authority figures.

Internal targets for visits and inspections

Each year, we set targets for the number of inspections and visits we will carry out.

Number of inspections and visits, including delivery against internal target

Remit	Total inspections in plan	Year-end total	% of plan delivered
State-funded schools	5,888	5,728	97%
Independent education	464	463	100%
Further education and skills	857	858	100%
Area SEND	30	31	100%
ECF/NPQ	15	12	80%
Initial teacher education	50	50	100%
Early years	13,617	14,385	106%
Social care regulatory	3,545	3,250	92%
Social care inspections of local authority children's services (ILACS)	99	100	101%

2022–23 was the first full year of inspection activity following the impact of COVID-19 in 2020–21 and 2021–22. Across the majority of our remits, we have either met or exceeded our total planned inspections.

In schools, there is a small shortfall of 3%. We lost a number of inspections due to industrial action. Despite this, we remain on course to meet our commitment of inspecting every school at least once by July 2025.

For ECF/NPQ lead provider inspections, there is a shortfall of 3 events. This is due to the agreement with the DfE about inspecting these providers being updated after the original plan was set, resulting in a reduction of two inspections. A further inspection was deferred due to industrial action in the higher education sector.

In our social care regulatory work, there is a shortfall of 8%. This is primarily due to the planned inspection target containing an estimate for growth for new providers that did not fully materialise. In some cases, providers registered later in the year and did not require an inspection.

Statutory and government-agreed inspection targets

Ofsted has legal duties to inspect specified institutions within certain timeframes. Children's homes are required by regulation to be inspected twice each (financial) year, unless one of the legal exemptions applies. The exemptions can mean that they only require one inspection a year (for example, homes that were outstanding or good at their last full inspection) or that they are exempt entirely from the minimum inspection frequency (for example, homes that are closed and have a condition of registration that does not allow them to care for children without giving Ofsted three months' notice).

HMCI has met the statutory requirements, except for in the following cases:

- Five residential holiday schemes for disabled children that did not operate this year. As these did not operate at any point in the year, it was not possible to inspect them.
- Five children's homes that were not operating/accommodating children but were not 'closed children's homes' for the purposes of the statutory requirements. We have inspected these to ensure that they continue to meet their registration requirements and that there are no significant concerns, but we did not make any graded judgements.
- One children's home where the inspection was not complete because we needed further evidence. We carried out a further inspection to secure additional evidence, but this inspection was completed after 31 March 2023.

Non-statutory obligations

There are no statutory obligations to inspect residential special schools at a set frequency. However, we have an agreement with the DfE to inspect each one annually.

We were not able to inspect four residential special schools because they were not operating. We tried to inspect two of these schools in spring 2023 but we agreed to their requests for deferral as neither were providing residential provision to children at the time. Shortly before inspecting another school, we discovered that it was also not providing residential provision and would not before the end of the year. The fourth school has not accommodated children all year.

The requirements for early education and childcare inspections are set out in a remit letter from the Secretary of State to HMCI. There were 19 providers (0.2% of the programmed inspections delivered this year) that we did not inspect within the required six years from the date of their last inspection. Of these 19, 18 were inspected within three weeks of the due date and the final one was inspected 45 days late.



Education inspections

The framework

The education inspection framework (EIF) defines our expectations for quality education, skills and early years provision. It is underpinned by consistent, researched criteria for making our judgements.

Early years inspections

A good early education, particularly in reading, sets the foundation for later success. This is why we made 'the best start in life' one of our strategic priorities.

The pandemic led to a backlog of early years inspections, which we were working through until the end of September 2022. We set up an internal programme board to identify ways to accelerate our early years inspections while continuing with regulatory work, including registering new providers. We are now back on track and in our routine inspection programme.

Our delivery model requires a mix of directly employed and contracted inspectors. To attract enough high-quality contracted inspectors for early years, we have increased pay rates and improved terms and conditions to align with our other remits. We have also introduced new processes to speed up their training and induction and have improved our website to make it easier for people to register an interest in becoming a contracted inspector.

School inspections

In our current strategy, we have committed to evaluating how our inspection frameworks are performing. This supports our strategic priority to carry out 'inspections that raise standards' and is part of the work we do every day to evaluate and improve our practice, policy and inspector training. Our evaluation will help us improve the efficiency and effectiveness of our work. It will also help us to understand how the EIF has had an impact on the children and learners in every kind of provision. As part of the evaluation, we will seek the views of inspectors and external stakeholders, including the providers that we inspect. We plan to commission an independent organisation to collate these views as well as carrying out our own research, for example through questionnaires, focus groups and interviews with childminders, nurseries, schools, colleges and other education providers.

Our work this year

Our return to routine inspection of schools, following the disruption in previous years, was not simply a return to business as usual. We know that teachers and leaders worked hard to teach and support children during the pandemic but almost all pupils had their education disrupted. Many are still affected by the consequences. Our inspections will assure schools that their recovery plans are working well and help them improve where needed.

We have been funded through the Spending Review to inspect every school at least once between April 2021 and July 2025.

All outstanding schools were due to be inspected by July 2026, following the exemption being lifted in 2020. With the Spending Review acceleration, schools will now be inspected by July 2025. Some of the 3,400 previously exempt outstanding schools had not been inspected for 15 years when routine inspection restarted. We inspected 763 previously exempt schools in 2022/23, compared with 279 in the year before the pandemic.



For good schools, the Spending Review acceleration means inspecting them earlier than we otherwise would, as well as making more graded inspections and fewer ungraded inspections. Having more graded inspections means that we can spend more time in schools, improving the assurance we can provide to parents and having better quality professional conversations with school leaders. We inspected 4,069 good schools in 2022/23, of which 1,477 were graded inspections.

Future improvements

We are always looking for ways to improve our inspections. Feedback about our inspections is largely positive, but we are not complacent. This year, we have been looking in particular at how we inspect safeguarding on school inspections. We have given inspectors more training on the weight that should be attached to different pieces of evidence to make sure that the overall judgement is proportionate.

However, we do recognise that some gaps in schools' knowledge or practice are easier to put right than others. Returning more quickly to schools that can close those gaps easily allows us to reflect that in our judgements. This benefits the children at that school as well as the school leadership.

Further education and skills inspections

In September 2022, we introduced enhanced inspections of colleges.³ In these, we have increased our focus on the college's contribution to meeting 'skills needs' (what employers and the local, regional and national economy need in terms of skills). We make a sub-judgement on this.⁴ As a sub-judgement, it feeds into the quality of education and leadership and management key judgements.

We piloted these inspections between October 2021 and May 2022 and adapted our approach in the light of pilot findings and providers' feedback. This year, we carried out and published reports for 59 enhanced college inspections.

In addition, all apprenticeship providers will have a full inspection. As with schools, we are accelerating further education and skills inspections to inspect all providers by September 2025. We are carrying out monitoring visits of new providers in their first 18 months of opening, rather than 24 months. This means we can identify any teething problems for them to address earlier, therefore improving the quality of training.

We will publish the final report of our review of the quality of T levels in summer 2023 and will begin inspecting T levels in routine inspections under the EIF from September 2023.



3. These cover further education colleges, sixth-form colleges and designated institutions.

4. See new sub-judgement in: 'Further education and skills handbook', Ofsted, March 2023; <https://www.gov.uk/government/publications/further-education-and-skills-inspection-handbook-eif/further-education-and-skills-handbook-for-september-2022#skills-needs>.

We will continue inspecting skills bootcamps as part of routine EIF inspections, which we started doing in April 2023. Skills bootcamps are short, flexible, government-funded courses designed to train adults into skilled jobs in new and expanding sectors, such as digital and green technologies. We carried out a survey of skills bootcamps in early 2022.⁵ Although we found that these courses could be run well and benefit both learners and employers, we also found a range of weaknesses.

Early career framework and national professional qualifications

In 2022, we began inspecting lead providers of the ECF and NPQ programmes.⁶ These inspections provide assurance about the quality of professional development and training offered by the DfE-funded lead providers to teachers at all stages of their careers.

In summer 2022, we carried out the first monitoring visits to lead providers to check that their implementation was on track in their first year of delivery. Nine out of the 10 providers were taking effective action towards ensuring that ECF training and/or NPQ professional development was of a high standard.

Following the monitoring visits, we ran a series of evaluation events with lead providers and inspectors. As a result, we made some updates to our inspection handbook, amending some areas of the outstanding criteria to make a greater distinction between good and outstanding judgements. In March 2023, we began full inspections. We will inspect each lead provider at least once every two academic years.

Initial teacher education

This year, we continued to inspect providers of early years, primary, secondary and further education and skills phase initial teacher education. We also contributed to the DfE's re-accreditation process for primary and secondary ITE providers, by assessing applicants' curriculum design. We will start inspecting newly accredited providers in 2024/25.

The DfE commissioned us to inspect a small number of further education and skills ITE providers that were not previously known to us but were receiving public funding to teach the 'Diploma in education and training' qualification.

5. 'Skills Bootcamps thematic survey', Ofsted, November 2022;
<https://www.gov.uk/government/publications/skills-bootcamps-thematic-survey>.

6. Early career framework and national professional qualification inspection framework and handbook, Ofsted, March 2022;
<https://www.gov.uk/government/publications/early-career-framework-and-national-professional-qualification-inspection-framework-and-handbook>.



Joint working and joint inspections

We work with the DfE and others to clarify accountabilities where services are provided by multiple agencies. For example, we often hear from parents, carers and the sector that the SEND system is too complex and difficult to navigate. We have continued to advise the DfE to help make sure that any updates to the SEND code of practice and any new national standards and guidance fit together clearly and simply.

In 2022, we responded to the DfE's consultation on the changes to the SEND and alternative provision (AP) system in England, drawing on our insights from across the education and social care system.⁷ We are pleased that the DfE has now published its plans for SEND and AP.⁸ We welcome the recognition that mainstream education has a crucial role to play in the SEND system. We also support the recognition of the role of teacher education: the DfE will be reviewing both the ECF and initial teacher training core content framework to increase the focus on supporting pupils with SEND.

Area SEND

In November 2022, we published, with the Care Quality Commission (CQC), our new area SEND inspection framework.⁹ The framework emphasises the experiences and outcomes of children and young people with SEND, strengthens the accountability of local area partnerships and places more focus on AP. We began inspections under the framework in January 2023. We will also carry out thematic visits each year to review an aspect of the SEND system in depth, with the first theme being AP. We will publish our findings later in 2023.

7. 'Consultation: SEND review: right support, right place, right time', Department for Education and Department of Health and Social Care, March 2022; <https://www.gov.uk/government/consultations/send-review-right-support-right-place-right-time>.

8. 'SEND and alternative provision improvement plan', Department for Education, March 2023; <https://www.gov.uk/government/publications/send-and-alternative-provision-improvement-plan>.

9. Area SEND inspections: framework and handbook, Ofsted and CQC, November 2022; <https://www.gov.uk/government/publications/area-send-framework-and-handbook>.

Joint targeted area inspections

Joint targeted area inspections (JTAs) look at services for vulnerable children and young people. We work on these with CQC, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and His Majesty's Inspectorate of Probation (HMIP).

Working with these other inspectorates, we jointly assess how local authorities, the police, health, probation and youth offending services are working together in an area to identify, support and protect vulnerable children and young people.

In March, we announced that we would be carrying out JTAs on two new themes.¹⁰ We published guidance for our inspectors doing these JTAs, following an extensive review. We wanted a model of inspection that:

- is easily adaptable to new themes
- minimises burden on the inspected agencies
- provides a good line of sight to multi-agency safeguarding arrangements and the differences in local areas
- provides the opportunity to visit more local areas each year
- capitalises on the benefits of joint inspectorate working
- supports improvement in multi-agency responses to children in need of help, protection and care.

The review involved close work and collaboration across HMICFRS, CQC and Ofsted.

The two new types of JTA look at:

- the multi-agency response to identification of initial need and risk (the 'front door' of child protection services)¹¹
- the experience of specific cohorts of children. The first looked at the criminal exploitation of children, and the second looks at children in receipt of early help. We will publish a report on early help later in 2023.¹²

10. Press release: new frameworks for joint targeted area inspections, Ofsted, March 2022;

<https://www.gov.uk/government/news/new-frameworks-for-joint-targeted-area-inspections-jtais>.

11. 'Joint targeted area inspection of the multi-agency response to identification of initial need and risk', Ofsted, CQC and HMICFRS, March 2022; <https://www.gov.uk/government/publications/joint-targeted-area-inspection-of-the-multi-agency-response-to-identification-of-initial-need-and-risk--2>.

12. 'Joint targeted area inspection of the multi-agency response to the criminal exploitation of children', Ofsted, CQC and HMICFRS, March 2023; <https://www.gov.uk/government/publications/joint-targeted-area-inspection-of-the-multi-agency-response-to-the-criminal-exploitation-of-children>.

Inspection of local authority children's services

Our approach to inspections of local authority children's services (ILACS) is underpinned by three principles that apply to all social care inspections. Inspection should:

- focus on the things that matter most to children's lives
- be consistent in our expectations of providers
- prioritise our work where improvement is needed most.

All local authorities now have an ILACS judgement, and we have begun the second round of ILACS inspections. This is the first time a framework for inspecting local authority children's services has gone to a second cycle. We are confident that we will be able to continue to adapt ILACS as the DfE begins its reform of children's social care.

This year, we introduced a new judgement in our ILACS about the experiences and progress of care leavers. Over 90% of respondents supported this in our consultation.¹³ The new judgement looks at the things that matter most in care leavers' lives, including their:

- relationships and access to social and recreational opportunities
- ability to influence the services they are offered
- health and emotional well-being
- learning and employment opportunities.

We published this update to the ILACS framework in December 2022 and communicated the changes to the sector. We trained inspectors and assigned some additional resource to these inspections to make sure that we gather sufficient evidence to make the new judgement. We will evaluate implementation of this later in 2023.



13. 'Consultation: a new judgement within ILACS on the experiences and progress of care leavers', Ofsted, December 2022; <https://www.gov.uk/government/consultations/introducing-a-separate-judgement-about-care-leavers-within-the-inspection-of-local-authority-childrens-services-ilacs/consultation-a-new-judgement-within-ilacs-on-the-experiences-and-progress-of-care-leavers>.

Regulation

As the regulator of early years and social care settings, we apply and enforce the regulations set by the DfE. We regulate to reduce the risk of harm to children in early years and social care provision and to improve the quality of services.

‘Right-touch regulation’ is one of our strategic priorities because proportionate and risk-based regulation is critical to ensuring good outcomes for children. The principles of good regulation are proportionality, accountability, consistency, transparency and targeting. We apply these throughout our work.

Over the last year, we have worked closely with government, to give advice and to respond to its policy changes.

We have advised the DfE on plans for children’s social care reform, drawn up in response to the independent review of children’s social care, the Competition and Market Authority’s study and the National Panel report relating to Arthur Labinjo-Hughes and Star Hobson. The government has now published its consultations. We have responded in full and continue to provide advice and insights across the range of reforms.

We welcome the government’s plans for reform.¹⁴ There is a clear focus on helping families early, with swift and purposeful child protection work when needed. It is right that, if children cannot live with their parents, their extended family networks are fully explored for possibilities. The consultation also recognises the urgent need to have the right homes in the right places (whether foster carers or children’s homes) when children do enter the care system. Building capacity in the social work and social care workforce will be key to this, as well as having enough foster carers, homes and support services. Some of the reforms also reflect longstanding gaps in regulation, such as oversight of group providers and financial oversight. As an integral part of the children’s social care system, we will continue to work with government and the sector to implement these reforms.

In early years and childcare, the government is working on a range of policies to address issues of affordability and workforce recruitment and retention. The aim of these changes is to make childcare more accessible and affordable for parents. We are working with the DfE to make sure that we are ready to inspect against any resulting policy changes, such as those relating to childcare ratios.

14. ‘Consultation: children’s social care: stable homes, built on love’, Department for Education, February 2023; <https://www.gov.uk/government/consultations/childrens-social-care-stable-homes-built-on-love>.

Safeguarding

Keeping children safe is one of our strategic priorities. We have already discussed some of the actions we are taking to meet this, for example implementing the new JTAI programme that reports on the strengths and weaknesses of local safeguarding partnerships.

Ofsted is a learning organisation committed to our own continuous improvement. This year, we carried out several internal learning reviews to improve our decision-making around safeguarding and wider practice. We embedded this learning in all our training. There have also been several external reviews into how public bodies can better safeguard children and we have reflected their findings and recommendations in our work.

Child Safeguarding Practice Review Panel report into abuse in three homes in Doncaster

This year, the Child Safeguarding Practice Review Panel carried out a review into serious abuse at three settings run by the Hesley Group in Doncaster.¹⁵ The Panel revealed serious failures for children and young adults with disabilities and complex needs who had been placed in these specialist children's homes and independent residential special schools. Some children suffered abuse and neglect, and a police investigation is in progress.

There is a system of oversight to protect children in children's homes. Ofsted is one part of this, alongside CQC and integrated care boards. In Doncaster, this system did not work as well or as quickly as it should have done. For Ofsted's part, while we were acting on specific complaints, allegations and inspection evidence, we were slower than we should have been to spot patterns in activity that could have raised concerns. Once we did so, further information came to light. This included significant events that had not been notified appropriately, in some cases by the provider.

We completed an internal review into our own decision-making and practice as soon as our inspection uncovered the abuse. We have continued to add to our action plan as our internal reviews, the investigations and the Panel review have progressed.

What we have done so far:

- We have **brought forward inspections** of all the 58 residential special schools nationally that are registered as children's homes. The outcomes of these inspections have been broadly reassuring, although there have been some poorer inspection grades.
- We have **improved inspector training and induction**. First, we have firmly embedded into inspectors' induction and training how to recognise and address 'closed cultures': places that carry inherent risks because of the complex needs of the children, the nature of the service and/or their geographical isolation. This is something we were already doing but following events at Hesley settings, we have emphasised its importance. Second, we are improving our training on inspecting services for disabled children and children who do not communicate verbally. We have also increased the length of time for inspections of residential special schools registered as children's homes by a day per inspection (starting 1 April 2023).

15. 'Safeguarding children with disabilities in residential settings', Child Safeguarding Practice Review Panel, October 2022; <https://www.gov.uk/government/publications/safeguarding-children-with-disabilities-in-residential-settings>.

- We have **improved the way we risk assess** to more clearly identify homes (and other social care services) that are particularly high risk, either because of inherent risks or because of performance. As part of this, we are clear that whistle-blowing information is a strong indicator of risk and requires urgent review. We have also emphasised our expectations for our inspectors to scrutinise notifications and other incoming information, looking for patterns of concern. We have also strengthened arrangements for regional oversight of higher-risk provision when there are changes in our case-holding personnel.
- The Panel published its phase 2 report in April 2023.¹⁶ This clearly sets out the need to strengthen and simplify the regulatory framework for disabled children living away from home. Ofsted operates a substantial element of this framework. We fully support the plan that is set out and will work with CQC as government responds to the recommendations.

The independent inquiry into child sexual abuse

The independent inquiry into child sexual abuse (IICSA) was established in response to serious concerns that organisations had failed, and were continuing to fail, to protect children from sexual abuse. The inquiry carried out 15 investigations into various institutions. We submitted a significant amount of evidence to IICSA, including our policy proposals for how the system could be strengthened. Several of the recommendations draw heavily on our input, including: improving relationships and sex education for children with SEND; ensuring consistency of the local authority designated officer (LADO) role; reintroducing serious incident reports; improving information-sharing before inspections; improving working with the Independent Schools Inspectorate (ISI); and having governors properly trained in safeguarding, no matter the type of school.

IICSA published its final report in 2022 and the government published its response in May 2023.¹⁷

Lessons from internal reviews

As well as the work that we have already done, we are also planning to:

- make sure that the inspector training we are doing is put into practice. This is about maintaining the professional curiosity of inspectors, particularly around providers' integrity, limited disclosure and deception
- establish what we need for a new regulatory casework management service for childcare and children's social care to look at cumulative notifications, patterns and trends at provider and chain level.

16. 'Safeguarding children with disabilities in residential settings', Child Safeguarding Practice Review Panel, October 2022; <https://www.gov.uk/government/publications/safeguarding-children-with-disabilities-in-residential-settings>.

17. 'The Report of the Independent Inquiry into Child Sexual Abuse', IICSA, October 2022; <https://www.iicsa.org.uk/reports-recommendations/publications/inquiry/final-report.html>.

Supported accommodation

In December 2021, we agreed to regulate supported accommodation for looked after children and care leavers aged between 16 and 18. This type of provision is often referred to as independent or semi-independent provision, or previously as ‘unregulated provision’.

This is a new area of work for us. To prepare for it, we:

- carried out two surveys to estimate the size of the sector and the range of provision types: one of local authorities and another of current providers of supported accommodation
- engaged with the sector through a range of stakeholder events, including work with care-experienced young people, to help us design and implement the consultation on our inspection arrangements
- developed and published registration guidance for providers
- recruited and trained inspectors
- developed our internal systems to support this work.

We began accepting applications to register providers on 28 April 2023 and will start inspecting in 2024.

Registration

Providers must register to provide or manage certain types of children’s social care or early years services. We have begun to review our registration processes to make them as streamlined and efficient as possible.

This year, we registered 415 new social care settings. The majority (384) of these were children’s homes.

In early years, we carried out 2,500 registration visits and we registered 5,880 settings. The table below shows the average length of time it takes to register new early years providers. As the average is considerably below the 25-week target, we are looking at reducing that target while still ensuring the suitability and ability of applicants.

Average weeks to register new early years providers

Provider type	Number	Average weeks to register
Childcare on non-domestic premises	840	10
Early Years Register	510	11
Childcare Register	330	8
Childminder	1,280	13
Early Years Register	1,190	13
Childcare Register	92	10

Note: Numbers over 100 have been rounded.

Regulatory action

When we receive information or allegations that suggest a breach of regulations or legislation, we check whether children are at risk of harm and/or whether a provider is complying with the law. We act immediately on any information that suggests that the welfare of children is not safeguarded or that children are at risk of harm or being harmed. We consider the circumstances of each case and ensure that our action is proportionate to the seriousness of the concern.

Social care regulatory activity

Regulated settings are required to notify Ofsted about serious incidents relating to children and what they have done in response, as well as various matters that do not typically require further action (such as child illness). This year, we received around 37,000 notifications from around 3,300 providers. Most of these were from children's homes, which form the majority of all social care providers.

Number of notifications and providers, 2022–23, by provider type

	Notifications	Providers
Children's home	29,900	2,930
Independent fostering agency	6,420	310
Residential family centre	360	62
Voluntary adoption agency	48	16
Total	36,800	3,310

Note: This may include duplicate notifications about the same event.
Numbers over 100 have been rounded.

Notifications are grouped by reason for the notification. Around two fifths of notifications were made under the 'other serious incidents' category, which settings use to notify Ofsted of an event that they feel is serious enough to be notifiable but that does not fit into any other category. This category captures serious incidents that do not fall under any of the other categories, which are set out in legislation. They could include, for example, a fire in the home, a child being taken to hospital or the death of a foster carer.





Number of notifications and providers, 2022–23, by notification reason

Notification reason	Number of notifications	Percentage of notifications	Number of providers
Incident requiring police involvement	9,810	27%	2,290
Allegation of abuse against the home or a person working there	3,980	11%	1,540
Child protection inquiry outcome	1,900	5%	420
Serious illness or accident	1,810	5%	430
Serious concerns over a missing child	1,140	3%	510
Serious complaint about a carer or member of staff	1,060	3%	250
Involvement or suspected involvement in sexual exploitation	890	2%	460
Child protection inquiry instigated	680	2%	460
Serious incident of self-harm by a child	400	1%	240
Section 35 referral of an adult or provision of information to DBS	150	<0.5%	120
Outbreak of infectious disease	140	<0.5%	74
Child has been a perpetrator/victim of serious assault	120	<0.5%	100
Death of a child	28	<0.5%	25
Other incident relating to a child that the registered person considers to be serious	14,700	40%	2,660
Total	36,800		3,320

Note: This may include duplicate notifications about the same event. We are working on changing our systems to make it easier to report about the outcome of notifications. Numbers over 100 have been rounded.

We also receive complaints and child protection concerns about children’s social care settings. These can be from members of the public, including parents or guardians, or from staff in a whistle-blowing capacity. Child protection concerns are usually a serious warning about a child’s welfare.

This year, we received around 370 child protection concerns about 270 providers, and 1,010 complaints about 730 providers. Most of these were about children’s homes.

Number of child protection concerns and complaints, 2022–23, by provider type

	Complaint	CP concern	Total
Children's home	850	260	1,110
Independent fostering agency	76	100	180
Residential family centre	46	14	60
Boarding school	14	1	15
Residential special school	11	1	12
Voluntary adoption agency	3	2	5
Further education college with residential accommodation	2		2
Secure training centre	1		1
Adoption support agency	1		1
Total	1,010	370	1,380

Note: Numbers over 100 have been rounded.

We can take several possible actions in response to a complaint or child protection concern, such as bringing forward an inspection or taking compliance and enforcement action. Of the 1,380 complaints and concerns we received this year, we had taken one or more actions for 1,050 (76%) by the end of March 2023. A further 66 were closed with no action and the rest of the cases were still open on this date, with no final actions yet recorded. We can take multiple actions in response to a particular case, and this year we took around 1,800 actions in total.

Number and type of actions taken, 2022–23

Action taken	Number
Key line of enquiry for next inspection	480
Continued monitoring by allocated inspector	310
Provider-led investigation	290
Inspection brought forward	210
Compliance and enforcement action	87
Referred to the local authority's child protection team	85
Monitoring visit	83
Other action not included in other categories	250
Total actions	1,800

Note: 'Other action' includes any action that does not fall under one of the named categories, for example a complaint about a possible unregistered children's home. One case can have multiple actions.
Numbers over 100 have been rounded.

In addition to responding to complaints and child protection concerns, we take enforcement action. This can include issuing a compliance notice, restricting accommodation and suspending or cancelling providers.

Number of enforcement activities and providers, 2022–23, by enforcement activity type

	Activities	Providers
Compliance notice	720	220
Restrict accommodation	100	100
Suspend registration	22	22
Cancel registration	25	25
Total	860	370

Note: Numbers over 100 have been rounded.

Number of enforcement activities, 2022–23, by provider type

	Children's home	Independent fostering agency	Residential family centre	Total
Compliance notice	680	5	31	720
Restrict accommodation	100		3	100
Suspend registration	19	2	1	22
Cancel registration	24		1	25
Total	820	7	36	860

Note: Numbers over 100 have been rounded.

Early years regulatory activity

Registered early years providers must notify us about significant events that are related to the registered person and other people connected with the registration, including:

- anyone aged 16 or over who lives, or works during childcare hours, in a childminder's home or childcare on domestic premises
- everyone that Ofsted checked when childcare was registered, such as the nominated individual, directors, partners, committee members and others associated with registered childcare.

This is to make sure that we can check that all individuals connected with the registration continue to be suitable.

Registered providers are not required to notify us about staff at early years settings: they are checked by providers themselves. This year, we received 11,600 notifications from around 8,150 providers.

We may also receive complaints/concerns about early years settings. We received 9,470 complaints this year, related to 6,190 providers. Of these cases, 4,030 had a consider at next inspection (CANI) outcome and 5,450 had either their inspection brought forward or further regulatory action.

This year, we have seen an 11% increase in the number of complaints and notifications. This is likely to be in part due to the current sector issues of recruitment and retention. The government is currently looking at a range of proposals to ease this sector-wide issue.

Number of complaints and notifications and outcome, 2022–23, by provider type

Provider type		Number of cases			Providers		
		Total	CANI	Regional	Total	CANI	Regional
All complaints and notifications		21,100	12,600	8,510	14,300	9,040	5,300
Complaints	Total	9,470	4,030	5,450	6,190	2,940	3,250
	Childcare on domestic premises	97	40	57	64	27	37
	Childcare on non-domestic premises	7,460	3,420	4,040	4,580	2,430	2,150
	Childminder	1,820	540	1,275	1,450	450	990
	Home childcarer	100	29	71	96	28	68
Notifications	Total	11,600	8,560	3,070	8,150	6,100	2,050
	Childcare on domestic premises	78	45	33	48	27	21
	Childcare on non-domestic premises	8,550	6,350	2,200	5,670	4,300	1,370
	Childminder	2,960	2,130	830	2,390	1,740	650
	Home childcarer	46	34	12	44	32	12

1. Urgent regional action and regional action have been grouped together to provide the outcome of regional action.

2. A provider may receive multiple events either complaints or notifications.

3. Numbers over 100 have been rounded.

4. CANI stands for 'consider at next inspection' and 'regional' means that we take regional action.

We can take several possible actions in response to a complaint or child protection concern, such as bringing forward an inspection or taking compliance and enforcement action.

We may receive concerns that do not suggest a risk to the safety or well-being of children. In this case, and when the provider's inspection history does not give us cause for concern, we note the information so that it can inform the next visit or inspection. These outcomes are logged as CANI. In these instances, we also write to the providers, giving them the information and asking them to take appropriate action. We will assess their response to this and action they take as part of the next visit or inspection.

Irrespective of the nature of the concern, if we continue to receive multiple concerns (three in a two-year period) then we will always consider whether to bring forward an inspection or carry out regulatory activity.

Number of suspensions, cancellations and non-payment cancellations, 2022–23

Year/Quarter	Status		
	Cancelled	Cancelled non-payment of fee	Suspended
2023			
Jan–Mar	19	600	93
2022			
Apr–Jun	14	840	87
Jul–Sep	41	780	77
Oct–Dec	30	720	97
Total cancellations and suspensions	100	2,950	350

Note: Numbers over 100 have been rounded.

If we are concerned that children may be at risk of harm, we can suspend a provider's registration. This year, we have suspended 350 providers. Suspension gives us or other agencies, such as the police or the local authority, the time to investigate concerns or look into/carry out inquiries. It also gives time for us or the provider to take steps to reduce or remove any risk to children.

If a provider is unable to meet the requirements of registration, we will cancel its registration. This year, we cancelled 3,050 registrations.

Tribunal

Our regulatory action secures compliance with the law and drives improvement in the quality of childcare and other services for children. Where providers are unable to meet the relevant requirements, we either refuse (at point of registration) or cancel their registration. If they disagree with our decision, they may appeal to the First-tier Tribunal (Care Standards) ('the Tribunal'). Providers can also appeal to the Tribunal if they disagree with our decision to suspend their registration; the Tribunal hears these appeals on an urgent basis.

Number of enforcement activities, appeals and tribunals, 2022–24, by enforcement activity type

		Activities	Appeals	Tribunals
Early years	Cancellation	100	14	3
	Cancellation non-payment of fee	2,950	34	
	Suspension	350	43	7
Social care	Cancellation	25	1	
	Suspension	22	1	
	Restriction of accommodation	100	2	1
	Refusal of registration	50	3	1
Total		3,600	98	12

Note: Numbers over 100 have been rounded. Ongoing cases are excluded (9). Compliance notices are not shown here since they cannot be appealed.

This year, we received a total of 98 appeals to the Tribunal. In early years, this represents 14 out of 100 cancellation decisions, and 43 out of 350 decisions to suspend a provider. In social care, there was one appeal against a cancellation, and one appeal against suspension. Three out of 50 decisions to refuse a registration in social care resulted in an appeal.

The overall number of appeals has decreased slightly from last year but is within the normal range for the past five years. Of the appeals received, 12 reached a final hearing. Four of these were allowed and the remainder were dismissed. Last year, 17 reached a final hearing: four were allowed and the remainder dismissed.

Intervention and enforcement

Unregistered children's homes

We are concerned about the continued increase in unregistered children's homes. Our records show that this year, 56% (85) of local authorities in England placed children in unregistered settings. We know that placing authorities have found it increasingly challenging to find regulated placements for some children, especially for those requiring secure accommodation. In recent years, there has been a substantial reduction in the number of secure accommodation places. Consequently, there are typically around 50 children waiting for a secure welfare place. There has also been a significant drop in in-patient mental health beds. Both of these factors contribute to an increasing need for specialist children's home places.

We want homes that should be registered to register, and we expedite applications as long as they meet registration requirements.

We investigated around 410 possible unregistered settings this year. We found that 76% of them should have been registered, most of which (270) should have been registered as children's homes. Many unregistered settings had children in provision that was, at the time, outside the scope of regulation, such as supported accommodation. As mentioned earlier, supported accommodation providers are now required to register with Ofsted and must apply by October 2023.

We want to do more to make registration as easy and seamless as possible. In the past, we have:

- launched a priority application process¹⁸
- put 'top tips' on our social care blog¹⁹
- published videos on our YouTube channel.²⁰

As an example of what we want to do in the future, we are looking at how we can register short-term children's homes that provide bespoke placements. We are also working closely with CQC to make sure that our different roles are well understood and complement each other.

18. 'Registering children's homes in an emergency: priority applications', Ofsted, May 2020; <https://www.gov.uk/guidance/registering-childrens-homes-in-an-emergency-as-a-direct-result-of-covid-19-pandemic-fast-track-applications>.

19. 'Applying to register a children's home: top tips', Ofsted, September 2021; <https://socialcareinspection.blog.gov.uk/2021/09/15/applying-to-register-a-childrens-home-top-tips/>

20. See this playlist on our YouTube channel: https://www.youtube.com/playlist?list=PLLq-zBnUkspNTBi6v896_VmuSobVvL0b-.

However, some operators of unregistered children's homes are not willing to register. That is why we are now planning on making greater use of our power to prosecute and increasing our capacity to act. We have appointed a 'lead professional' for unregistered homes and established a virtual team of inspectors who are being trained in criminal investigation work and will act as regional experts leading investigations.

Unregistered EY provision

We have enforcement and prosecution powers to manage unregistered early years provision. This year, we investigated 530 unregistered early years settings.

Some of these were deemed unregistered as the legal entity owning them had changed, which requires a new registration, but they were still fundamentally operating as before. Where there are no concerns about a new provider, we expedite the process.

We also issued enforcement notices against people operating as potentially unregistered childminders.

Unregistered schools

This year, we worked closely with the DfE on the Schools Bill provisions relating to improving independent school regulation and Ofsted's powers to inspect unregistered schools. We are extremely disappointed that these important provisions fell away when the bill was dropped. We will continue to press for this legislation to help make sure that children are properly educated and kept safe.

We have continued to investigate and inspect suspected illegal schools. This year, we did 95 inspections and issued 19 warning notices.

Research, evaluation and insights

Ofsted has a unique view of the education and children's social care system through the hundreds of inspections and regulatory visits we carry out every week. This is why making the most of our insights is one of our strategic priorities. We publish what we learn from these visits and carry out wider research and evaluation to help fill knowledge gaps in education and social care, and to help policymakers, decision-makers and practitioners to improve practice.

This year, we brought our 'Data and Insight' and 'Research and Evaluation' divisions together into a new 'Insights and Research' directorate. This structure helps these divisions to collaborate more directly, harnessing our full analytical capabilities to make the most of our insights.

Our insights this year have been reported widely in the media and have influenced debates in Parliament and discussions by leaders and practitioners. Around half of practitioners in early years, social care and schools said that they have read some of our research. But this was a lower proportion (16%) for further education and skills practitioners. When practitioners have read Ofsted's research, the majority in early years (57%) and social care (68%) had made changes to their practice as a result. Almost half (48%) had done so in further education and skills. In schools, over half of teachers surveyed (51%) had read Ofsted's research. Of those, 41% had made changes to their practice as a result.

Meanwhile, our research reviews on English, computing, science, and art and design have been accessed just over 100,000 times, which shows their wide reach. These reviews serve a dual purpose:

- they sustain the subject expertise of inspectors considering curriculum quality under the EIF
- they provide schools with a digest of what published research evidence tells us about a high-quality education in each subject.

We also published the first of our subject reports, for science, in February. The subject reports inform leaders, teachers and tutors, parents and policymakers about the state of the nation regarding the quality of school curriculum in a range of subjects.

This year, we also released the following publications about education:

- ‘Best start in life: a research review in early years’:²¹ this is the first of a series of research reviews focusing on the pre-school age range, from birth to 4 years. Its purpose is to support early years practitioners to raise the quality of early years education. It examines the factors that contribute to a high-quality early education. We explore literature relating to early years education, drawing on a range of sources, including academic and policy literature.
- ‘International perspectives on early years’. Findings include: measures taken to improve children’s participation in early years provision, the impact of workforce challenges, curriculum focus, the role of play and variation in inspection models.²²
- ‘A focus on inadequate early years providers’:²³ this commentary discusses providers on the Early Years Register (EYR) that were active and had been judged inadequate as at 31 December 2022, where the most recent inspection was carried out under the EIF.
- ‘A return to inspection: the story (so far) of previously exempt outstanding schools’.²⁴
- Further subject research reviews, including computing and English.^{25, 26}
- ‘Schools commentary July 2022: schools that require improvement’,²⁷ this highlights findings following our inspections of schools that were previously judged to require improvement.
- ‘Schools commentary: the emerging picture from 2022/23 inspections’.²⁸

21. ‘Best start in life: a research review for early years’, Ofsted, November 2022;
<https://www.gov.uk/government/publications/best-start-in-life-a-research-review-for-early-years>.

22. ‘International perspectives on early years’, Ofsted, June 2023;
<https://www.gov.uk/government/publications/international-perspectives-on-early-years>.

23. ‘A focus on inadequate early years providers’, Ofsted, February 2023; <https://www.gov.uk/government/publications/early-years-inspections-statistical-commentaries-2022-to-2023/a-focus-on-inadequate-early-years-providers>.

24. ‘A return to inspection: the story (so far) of previously exempt outstanding schools’, Ofsted, November 2022;
<https://www.gov.uk/government/publications/school-inspections-statistical-commentaries-2021-to-2022/a-return-to-inspection-the-story-so-far-of-previously-exempt-outstanding-schools>.

25. ‘Research review series: computing’, Ofsted, May 2022;
<https://www.gov.uk/government/publications/research-review-series-computing>.

26. ‘Research review series: English’, Ofsted, May 2022 (updated July 2022);
<https://www.gov.uk/government/publications/curriculum-research-review-series-english>.

27. ‘Schools commentary July 2022: schools that require improvement’, Ofsted, July 2022; <https://www.gov.uk/government/publications/school-inspections-statistical-commentaries-2021-to-2022/schools-commentary-july-2022-schools-that-require-improvement>.

28. ‘Schools commentary: the emerging picture from 2022/23 inspections’, Ofsted, January 2023; <https://www.gov.uk/government/publications/school-inspections-statistical-commentaries-2022-to-2023/schools-commentary-the-emerging-picture-from-202223-inspections>.

- 'Alternative provision for primary-age pupils in England: a long-term "destination" or a "temporary solution"?'²⁹
- "'Now the whole school is reading":³⁰ supporting struggling readers in secondary school'.
- 'A focus on inadequate independent schools':³¹ this data commentary reviews why independent schools have been judged inadequate and what happens after they receive the judgement.
- 'Independent review of tutoring in schools and 16 to 19 providers':³² These reports share our initial findings; we will publish our final findings in autumn 2023.
- 'A review of the quality of T-level courses: interim report'.³³ We will publish our final findings in July 2023.
- 'Education recovery in schools, further education and skills, and early years providers: summer 2022'.^{34, 35, 36}

We also published the following on social care:

- 'How local authorities plan for sufficiency: children in care and care leavers'.³⁷ This also considers what we could do differently, through our ILACS and other activities, to help improve planning and outcomes for children.
- 'Children's social care 2022: recovering from the COVID-19 pandemic'³⁸
- 'What types of needs do children's homes offer care for?'³⁹
- 'Why do children go into children's homes?'⁴⁰

29. 'Alternative provision for primary-age pupils in England: a long-term 'destination' or a 'temporary solution'?', Ofsted, November 2022; <https://www.gov.uk/government/publications/alternative-provision-for-primary-age-pupils-in-england-a-long-term-destination-or-a-temporary-solution>.

30. 'Now the whole school is reading', Ofsted October 2022; <https://www.gov.uk/government/publications/now-the-whole-school-is-reading-supporting-struggling-readers-in-secondary-school/now-the-whole-school-is-reading-supporting-struggling-readers-in-secondary-school>.

31. 'A focus on inadequate independent schools', Ofsted, February 2023; <https://www.gov.uk/government/publications/non-association-independent-schools-inspections-statistical-commentaries-2022-to-2023/a-focus-on-inadequate-independent-schools>.

32. 'Independent review of tutoring in schools and 16 to 19 providers', Ofsted, October 2022; <https://www.gov.uk/government/publications/independent-review-of-tutoring-in-schools-and-16-to-19-providers>.

33. 'A review of the quality of T-level courses: interim report', Ofsted, October 2022; <https://www.gov.uk/government/publications/a-review-of-the-quality-of-t-level-courses-interim-report>.

34. 'Education recovery in schools: summer 2022', Ofsted, July 2022; <https://www.gov.uk/government/publications/education-recovery-in-schools-summer-2022>.

35. 'Education recovery in early years providers: summer 2022', Ofsted, July 2022; <https://www.gov.uk/government/publications/education-recovery-in-early-years-providers-summer-2022>.

36. 'Education recovery in further education and skills providers: summer 2022', Ofsted, July 2022; <https://www.gov.uk/government/publications/education-recovery-in-further-education-and-skills-providers-summer-2022>.

37. 'How local authorities plan for sufficiency: children in care and care leavers', Ofsted, November 2022; <https://www.gov.uk/government/publications/how-local-authorities-plan-for-sufficiency-children-in-care-and-care-leavers>.

38. 'Children's social care 2022: recovering from the COVID-19 pandemic', Ofsted, July 22; <https://www.gov.uk/government/publications/childrens-social-care-2022-recovering-from-the-covid-19-pandemic>.

39. 'What types of needs do children's homes offer care for?', Ofsted, July 2022; <https://www.gov.uk/government/publications/what-types-of-needs-do-childrens-homes-offer-care-for/what-types-of-needs-do-childrens-homes-offer-care-for>.

40. 'Why do children go into children's homes?', Ofsted, April 2022; <https://www.gov.uk/government/publications/why-do-children-go-into-childrens-homes>.

The DfE has also asked us to carry out a thematic review on careers education in schools and colleges, including special schools, pupil referral units and specialist colleges. This will explore how well pupils/learners are supported in their transitions and next steps. We will publish our initial report in September 2023.

We are an early adopter of the new Integrated Data Service from the Office for National Statistics. This will allow us to both contribute to shaping the new system and get early access to 2021 Census outputs. We will be exploring the possibilities this creates for educational analysis.

Official statistics and management information

In line with our obligations under the Code of Practice for Statistics, we released over 60 sets of timely and high-quality official statistics, management information and transparency data this year. These sets provide detailed analysis and narratives covering 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 continued to implement our review of statistical publications, following engagement with many internal and external users. We published our plan in May 2022 and it was commended by the UK Statistics Authority.⁴¹



41. 'Ed Humpherson to Jason Bradbury: Review of Ofsted's Statistical Publications', UK Statistics Authority, September 2022; <https://osr.statisticsauthority.gov.uk/correspondence/ed-humpherson-to-jason-bradbury-review-of-ofsted-s-statistical-publications>.

Corporate developments

Workforce developments

Ofsted continues to be a great place to work. In this year's Civil Service People Survey, we maintained an overall engagement index of 71%. This puts us in the top 10% of Civil Service organisations, with staff who are motivated and positive about their employer and our work. We maintained or increased our positive responses in seven of the nine core themes and were above the Civil Service benchmark for eight of them.

This year, we have recruited more new staff than usual. This was both to increase capacity for new work we have been asked to take on and because, like many organisations, we had a period of high turnover following the pandemic. In particular, we have increased our social care regulatory workforce to prepare for the new inspection and regulation regime for supported accommodation.

We are recruiting in competitive labour markets and so have established a new attraction strategy to build and maintain a supply of good-quality candidates. For schools and social care, this has resulted in our highest ever number of applications received and appointments made in a 12-month period.

We also ran a recruitment campaign for our insights and research function to maintain our analytical capability and capacity. Through a simplified and candidate-focused approach, we were able to offer roles to 23 candidates at a range of grades.

Recruiting and retaining staff in digital, data and technology (DDAT) roles is a continuing challenge, as it is for other Civil Service employers. Competitors are offering high salaries and wide flexibilities, which are attractive to many staff. We are exploring different pay and reward strategies to mitigate these challenges.

The growth of our inspector workforce means we have higher than usual numbers of new inspectors who require support and development. To make sure that they are inducted and trained as soon as possible, we have launched a new induction platform they can access from the moment they are offered a role at Ofsted. We use this to create a seamless learning journey, beginning at offer stage, which continues during new starters' first few months. We have also extended our career development offer through a range of talent programmes and training.

Staff absence is on an improving trend. Average working days lost has decreased from 8.1 days in 2021–22 to 7 days in 2022–23. We have prioritised work with the early years regulatory inspector grade, which has been particularly successful in reducing average working days lost, from 18.4 days to 9.2 days. This is still higher than we would like it to be. We have a programme to reduce it, which includes coaching and support for managers, revised attendance management training, increased monitoring of attendance cases and regular reporting to senior managers.

Like other organisations across the Civil Service, we have experienced industrial action this year. The Public and Commercial Services Union (PCS) called two all-member one-day strikes (an average of 7.5% of the workforce took strike action on these occasions) as well as sustained targeted action during March in our contact centre and inspection support teams (an average of 18% of the total number of employees in these teams took strike action). Continuity plans worked well and the impact to our business was managed effectively.

The industrial action took place at the same time as teacher strikes. This required changes to procedures and timelines for notifications and inspections, along with reallocating work to other employees.

While strike numbers were broadly as expected and business continuity plans were effective, the cumulative effect of strikes did affect some of our work. We had to refocus some resource on the most immediate and highest priority work and some timelines had to be extended. We have now cleared a backlog of lower priority back-office work carried out by our support teams.

Digital developments

We have continued work to modernise our digital and technology services and the way we manage the data we hold about those we inspect and regulate.

This year, we have been establishing what we need for a new regulatory casework management service for childcare and children's social care and how we will deliver this. In the coming year, we will work on some quick solutions to address immediate issues as well as the preparatory work on a new core regulatory service.

Although we are not the regulator of schools, we do have powers in relation to parental complaints. This year, we worked with the DfE and the Government Digital Service (GDS) to improve the information for parents on the GOV.UK website about who to complain to and when. We also improved the online forms for parents to use and built a new case management system for our complaints about schools team to make sure that these complaints are managed efficiently and effectively.



When we take on new areas of responsibility, we need to make sure we have the digital systems and data to support the work, as well as effective processes. Over the last year, we have built on our existing digital platforms to enable us to begin regulating supported accommodation for 16- and 17-year-old care leavers from April 2023. We also built a new service to support inspections of ECF and NPQ lead providers, area SEND and the online education accreditation scheme.

All these new digital services need to perform well and be kept secure. We have continued to use a cloud-first approach to data and digital service management. We have also invested in our internal security operations centre so that we can identify and respond to security incidents. This was recognised in a positive security health check and we retained our accreditation for Cyber Essentials Plus, a government-backed scheme that helps organisations protect themselves against a range of the most common cyber-attacks.

Equality objectives

We published new equality objectives in January 2023 to cover 2023–27.⁴² We have four equality objectives:

- Through our inspections and insights, we will raise standards in education, helping to advance equality of opportunity for those with protected characteristics, as well as those who are socio-economically disadvantaged.
- Through our inspections and regulatory activity, Ofsted will be a force for improvement for children in care and care leavers. This will particularly benefit some groups with protected characteristics who are disproportionately represented in the care population.
- We will use our independent voice to share our insights, which will inform practitioners, policymakers and decision-makers. This will improve the education and social care systems, often impacting most on those with protected characteristics.
- Ofsted will be a welcoming and inclusive workplace with equality of opportunity for our workforce, attracting talent from wherever it comes. We will make sure that our policies take account of our duties under the Equality Act and are based on robust data analysis. We will take action to address inequalities where we find them.

The below information covers our final updates against our objectives 2020–22.⁴³

- 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.

42. 'Ofsted's equality objectives 2023 to 2027', Ofsted, January 2023; <https://www.gov.uk/government/publications/ofsteds-equality-objectives-2023-to-2027/ofsteds-equality-objectives-2023-to-2027>.

43. '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/ofsteds-equality-objectives-2020-to-2022>.

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.
- Make sure that we consider those with protected characteristics when setting and carrying out our research and analysis programmes.

This year, we have:

- developed a separate judgement on the experiences and progress of care leavers within our ILACS framework. As part of this, we considered how this work could affect individuals or groups of people in terms of their protected characteristics. We published an equalities impact assessment alongside the revised framework
- considered in an equalities impact assessment how our proposals for undertaking registration visits (from April 2023) and inspection visits (from April 2024) in supported accommodation for 16- and 17-year-old children in care and care leavers meet the three aims of the public sector equality duty (PSED)
- alongside CQC, published a new area SEND inspection framework, which evaluates local area arrangements for children and young people with SEND. The new framework puts the experiences and outcomes of children and young people with SEND at its centre, clarifies the accountability of local area partnerships and places more focus on alternative provision
- continued to require all inspectors to complete mandatory 'Understanding equality, diversity and inclusion' training on a three-yearly basis. Equalities content is also included as part of induction training for education inspectors
- continued to require all inspectors to undertake an e-learning package, 'Communicating with children and young people who have SEND'
- continued to include 'An introduction to inspecting residential settings for disabled children' training for all new social care regulatory inspectors.

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

- a report on AP in the education system for primary school pupils.⁴⁴ The report looks at primary aged pupils with social, emotional and mental health needs who are being referred to AP

44. 'Alternative provision for primary-age pupils in England: a long-term 'destination' or a 'temporary solution'?', Ofsted, November 2022; <https://www.gov.uk/government/publications/alternative-provision-for-primary-age-pupils-in-england-a-long-term-destination-or-a-temporary-solution/alternative-provision-for-primary-age-pupils-in-england-a-long-term-destination-or-a-temporary-solution>.

- research on struggling readers in secondary schools.⁴⁵ This research found that schools that have a higher proportion of disadvantaged pupils tend to have issues with reading
- a series of curriculum research reviews on national curriculum subjects and religious education and we have started work on a series of curriculum subject reports.⁴⁶ These cover inclusion of pupils with SEND in the curriculum. They may also refer to protected characteristics such as sex, if we find that this is the case
- a report on sufficiency of accommodation for children in care and care leavers.⁴⁷ We found that it is harder for local authorities to find accommodation for children with complex needs (such as SEND or mental health needs), which can mean that they are having to create bespoke options to meet the children's needs
- findings from the first year of a two-year independent review of teacher development. A survey commissioned from YouGov highlighted that teachers tend to receive some SEND training but are keen to receive more and want to understand how to teach other groups of children (such as those who speak English as an additional language)
- a series of reports on how the education sector is working to make sure that all children's education recovers from the impact of the pandemic⁴⁸
- a report on the continuing impact of the pandemic on the children's social care sector.⁴⁹ We found that the complexity of cases, including growing mental health concerns, has increased due to the pandemic. Although social workers' caseloads may be remaining stable, their workload is increasing. There is also significant concern about the long-term effect of the pandemic on care leavers' mental health
- a research review in early years to support early years practitioners to raise the quality of early years education.⁵⁰ This covers pupils with SEND in the curriculum, including access by sex and other protected characteristics. This is the first in a three-part series of research reports
- research about needs supported by children's homes, which includes data on SEND, sex and ethnicity⁵¹
- analysis on inspection outcomes for learners with high needs within the further education and skills chapter of the 2021–22 Annual Report.⁵²

45. "Now the whole school is reading": supporting struggling readers in secondary school', Ofsted, October 2022; <https://www.gov.uk/government/publications/now-the-whole-school-is-reading-supporting-struggling-readers-in-secondary-school>.

46. 'Curriculum research reviews', Ofsted, May 2021 (updated February 2023); <https://www.gov.uk/government/collections/curriculum-research-reviews>.

47. 'How local authorities plan for sufficiency: children in care and care leavers', Ofsted, November 2022; <https://www.gov.uk/government/publications/how-local-authorities-plan-for-sufficiency-children-in-care-and-care-leavers>.

48. 'Ofsted: education recovery series', Ofsted, December 2021 (updated July 2022); <https://www.gov.uk/government/collections/ofsted-education-recovery-series>.

49. 'Children's social care 2022: recovering from the COVID-19 pandemic', Ofsted, July 2022; <https://www.gov.uk/government/publications/childrens-social-care-2022-recovering-from-the-covid-19-pandemic>.

50. 'Best start in life: a research review for early years', Ofsted, November 2022; <https://www.gov.uk/government/publications/best-start-in-life-a-research-review-for-early-years>.

51. 'What types of needs do children's homes offer care for?', Ofsted, July 2022; <https://www.gov.uk/government/publications/what-types-of-needs-do-childrens-homes-offer-care-for>.

52. 'Ofsted Annual report and Accounts 2021–22', Ofsted, July 2022; <https://www.gov.uk/government/publications/ofsted-corporate-annual-report-and-accounts-2021-to-2022>.

We have also started work on:

- evaluating the implementation of the EIF, which will look at how the EIF enables us to explore the quality of education for all pupils and learners, including where it may have a bearing on particular protected characteristics
- a thematic review of careers education, information, advice and guidance in mainstream schools and SEND and AP settings. This will include considering how these providers meet the needs of children and young people with SEND
- research into achieving stability and permanency for children with complex needs in children's homes. We want to identify which specific needs result in local authorities struggling to find homes for children and to identify current good practice relating to complex needs in children's homes.



Objective 2: Ofsted will promote equal opportunities for its entire workforce, including both staff and directly contracted Ofsted Inspectors, tackling bullying and discrimination whenever it occurs.

Ofsted will continue to take action to increase the diversity of its workforce.

Ofsted will continue to take action to increase diversity within its Senior Civil Service (SCS).

Ofsted will tackle unfair treatment and inappropriate behaviour to reduce the proportion of its staff, particularly those with protected characteristics, who experience discrimination, bullying or harassment.

Actions

- Continue to limit the impact of unconscious bias in recruitment by using blind sifting for all internal and external administrative, professional and technical (APT) and inspector recruitment.
- Continue to advertise all SCS posts externally and use social media to raise awareness of our vacancies to candidates from under-represented groups.
- Continue to 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.
- Make sure that all new employees carry out equalities training and all managers carry out training in unconscious bias.
- Make sure that Ofsted's anti-bullying, harassment and discrimination group provides insight to senior leaders by identifying good practice on how to tackle bullying, harassment and discrimination, when these occur.

Our annual data pack shares how our workforce demographics have changed and how people with different protected characteristics move through our recruitment processes.⁵³ This pack shows that:

- 8% of our workforce have declared a disability
- 6% of our workforce has declared that their ethnic background is Asian and 3% that their ethnic background is Black
- 33% of the workforce are male
- 7% of the workforce have declared that their sexual orientation is lesbian, gay, bisexual or another sexual orientation.

⁵³. See the data pack on our equality objectives page:
<https://www.gov.uk/government/publications/ofsteds-equality-objectives-2020-to-2022>.

As a result of this publication, we have begun an investigation into the difference in recruitment outcomes for applicants from an ethnic minority background.

As part of our attraction strategy, we use diverse visual representation in our external recruitment communications. This year, we also reviewed the language we use in adverts and began removing any jargon. We are also simplifying our application process, ready for the next reporting year. We participated in the Summer Diversity Internship (now [Summer Internship](#)) and [Autism Exchange Internship](#) programmes, supporting talented undergraduates and graduates to do work experience in a Civil Service department.

Part of the PSED is to make sure that we have due regard to the Equality Act 2010 when making our decisions. We have reviewed our process for this and developed new guidance and e-learning to better support our employees to consider any equality impacts of their decision-making.

This year, we achieved [Disability Confident leader status](#) for a second time. As a Disability Confident leader, we support other employers through the accreditation process on request. We will work to maintain this leadership status until the next review point in 2025.

We have also reviewed our workplace adjustments process following recommendations from the Civil Service Workplace Adjustment Service. Much of our pre-existing approach met the standards expected but we have made improvements. This includes reviewing our internally held data on adjustments to better support managers, launching a voluntary survey for staff in receipt of adjustments and bringing together health, safety and well-being into a new team to continue to improve these services and the data held.

We published our annual Gender Pay Gap information.⁵⁴ This reports a 3.6% mean gender pay gap favouring men and a 1.1% median gender pay gap favouring women.

Our 2022 People Survey results indicate low and reducing levels of discrimination (5%) and bullying and harassment (5%). We have a clear policy to support those experiencing these behaviours. We continue to regularly collaborate with our five employee networks that support our work and provide development and discussion opportunities for our employees.

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

Climate change adaptation and sustainability

Over the course of the Ofsted strategy, we will fulfil government expectations and requirements to reduce our impact on the environment in line with the Greening Government Commitments. The GGC targets will help government to achieve its net zero goal.

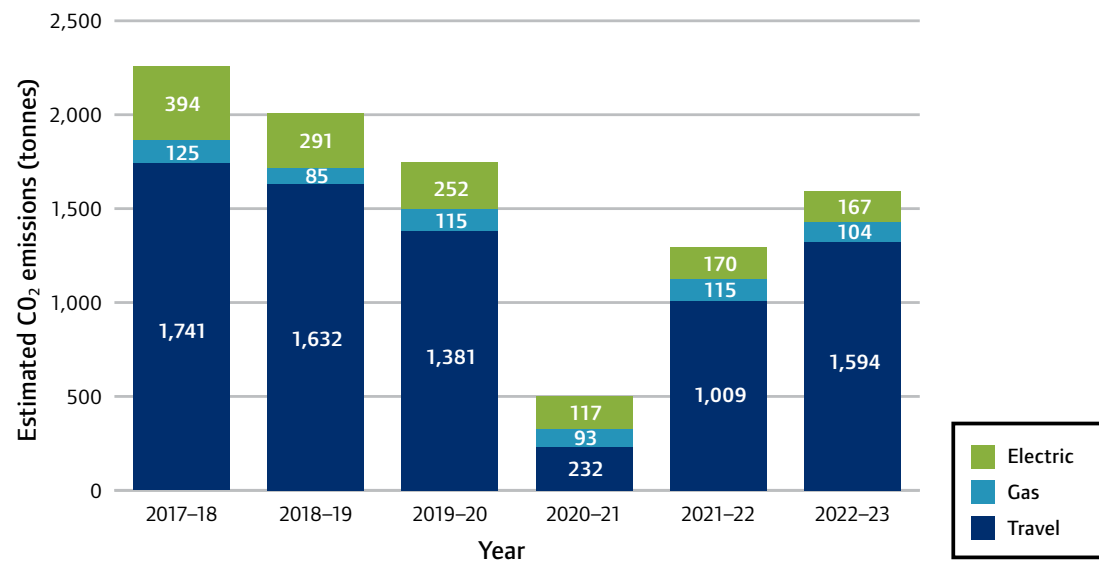
Comparing this year's outturn with the 2017–18 baselines, we have found that our:

- carbon use has reduced by 29%
- overall waste has reduced by approximately 62%
- water usage has reduced by approximately 55%.

The lower levels of waste and usage that we reported in 2020–21 and 2021–22 were mainly due to more staff working remotely and not travelling as much during the pandemic.

This year, levels of waste and usage have not increased to pre-pandemic levels. Although our building occupancy rates have returned to previous volumes, other departments within our shared buildings have moved to more hybrid ways of working. This has reduced the overall water and waste consumption.

Mitigating climate change: working towards net zero by 2050



1. Some figures are estimates based on data provided to Ofsted as a minor occupier of larger, shared properties.

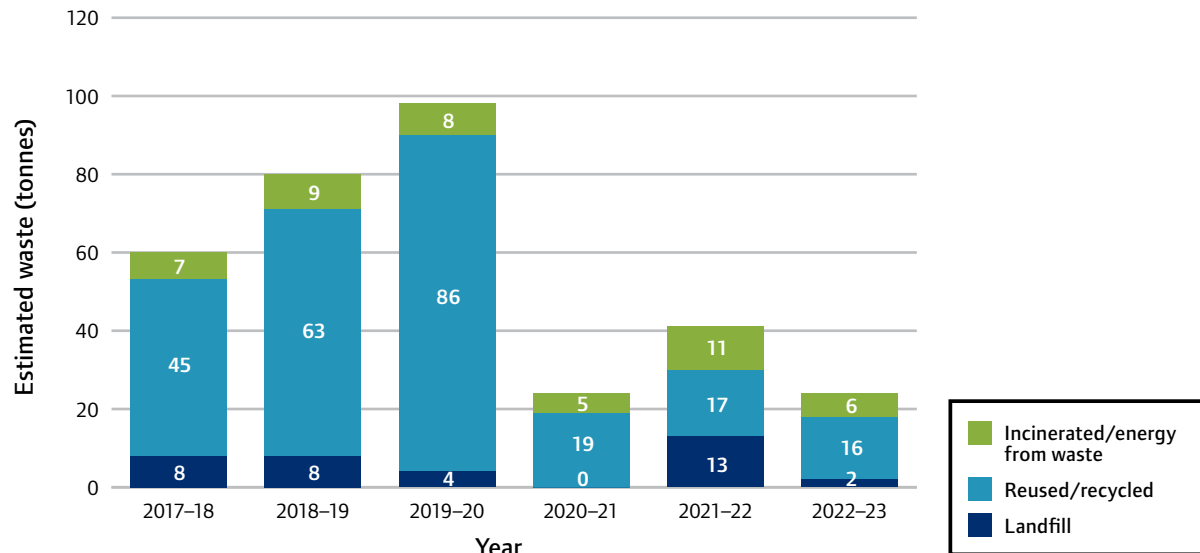
This year, compared with 2017–18, we have reduced our carbon emissions by 29% overall. Of this:

- 48% is from buildings (gas and electricity)
- 24% is from travel.

As set out above, the reductions in CO₂ emissions relating to gas and electric are due to lower occupancy levels in the offices that we share with other government departments.

Travel-related CO₂ emissions have decreased through the reduced number of kilometres travelled and through reduction in CO₂ conversion factors.

Minimising waste and promoting resource efficiency

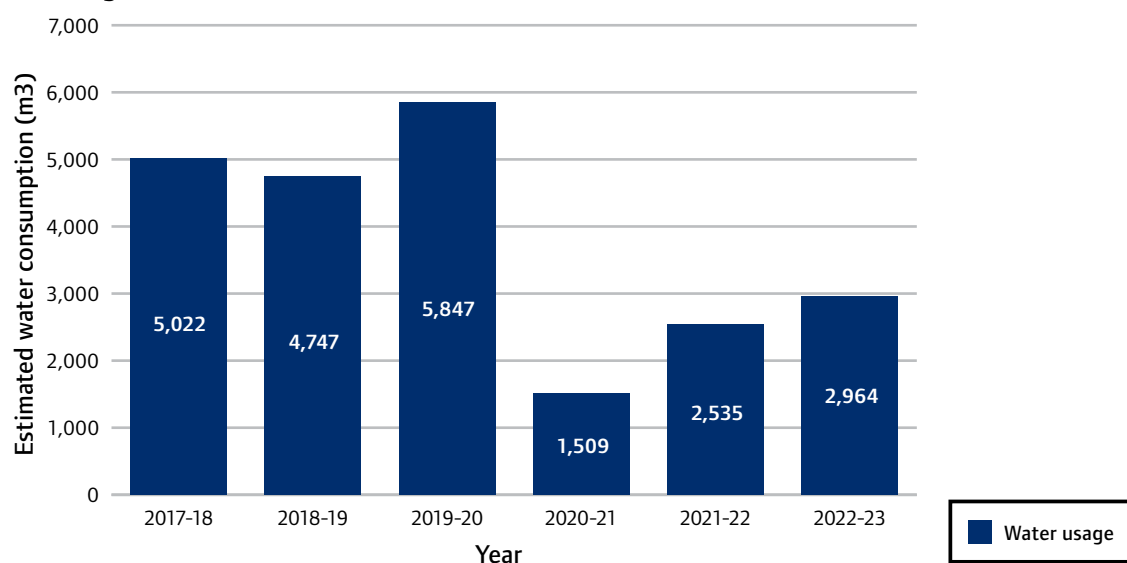


1. Some figures are estimates based on data provided to Ofsted as a minor occupier of larger, shared properties.

Waste is one of the clearest indications of the environmental impact of building occupancy. This year, the amount of waste generated has reduced by approximately 62% overall compared with 2017-18. The proportion of waste generated that was recycled or reused this year is 67%.

We limit the use of single-use plastics in our offices. Paper usage has reduced by 6% since 2017-18.

Reducing our water use



1. 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 41% compared with the 2017–18 baseline.

Procuring sustainable products and services

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

Biodiversity action plan

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.

Adapting to climate change

Ofsted does not currently have a climate change adaption strategy; we are developing this.

Reducing environmental impacts from ICT and digital

In ICT and digital services, we have:

- increased the use of cloud technology, meaning that there will be no need to buy new server hardware after 2025, and this will stop us having to refresh hardware regularly
- recycled old servers wherever it has been feasible to do so.

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



Corporate performance

Quality assurance

It is very important that the quality of our inspection and regulatory work is high. Otherwise, we cannot be the force for improvement that we aim to be.

We have a range of formal processes to do this. These include visits to directly observe inspectors' work, scrutinising the evidence gathered and decisions reached, and reviewing inspection reports before they are finalised and published. An important part of this is considering feedback from providers when we share their draft report with them for comment.

In the vast majority of cases, our quality assurance procedures confirm that inspections are carried out to a high standard, that evidence supports the inspection findings, and that reports are clear and fully explain the judgements awarded.

Where we identify a mistake, we put this right. On occasion, this will include changing the judgement awarded if the evidence supports a different grade or carrying out a further visit to gather additional evidence when this is needed. Through our quality assurance processes this year, we changed the overall judgement on 144 occasions (0.6% of all inspections) and we carried out 116 further visits to complete an inspection (0.5% of all inspections). This information is broken down by remit below:

Inspections where as a result of quality assurance, an overall judgement was changed or additional visits took place to complete an inspection

	State-funded schools	Independent schools	Further education and skills	Early years	Social care	Total
Overall judgement changed	19	3	3	88	31	144
Percentage of total inspections	0.6%	0.6%	0.5%	0.5%	0.9%	0.6%
Incomplete inspections	24	4	6	55	27	116
Percentage of total inspections	0.7%	0.9%	1.0%	0.3%	0.8%	0.5%

Our quality assurance arrangements, which include considering comments we receive from providers on their draft reports, allow us to resolve or clarify most queries without providers needing to submit a formal complaint. This means that we continue to receive relatively few formal complaints about our work.

Complaints about Ofsted

Complaints this year

Complaints are infrequent, as the data in this section shows. But we are not complacent about the small proportion of inspections where providers believe we have made an error of judgement.

Number of complaints received 2020–23

Period	Inspection/ activities*	Complaints received**	Proportion of total	Proportion of closed complaints responded to within 30 days***
2022–23	43,300	1,070	2.5%	82%
2021–22	30,600	640	2.1%	97%
2020–21	20,100	67	0.3%	90%

* The total inspections/activities include 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 includes all complaints where inspections/activities were carried out in 2022–23 and where the complaint was also received in 2022–23. This includes complaints that were not fully investigated because they were withdrawn, submitted late or from third parties.

*** Where we sent a complaint response in 2022–23, regardless of when we received the complaint.

Note: Numbers over 100 have been rounded.

This year, we received 747 complaints from providers following an inspection in the period: 247 from schools (218 maintained, 29 independent); 38 from further education and skills providers; 397 from early years providers; 57 from social care providers; and eight from others.

We continue to receive more complaints from providers that have received the lowest grades. In over half of complaints from providers this year (452), they had been judged as inadequate or requires improvement. Unsurprisingly, most complaints from providers challenge the grade they received. Many of these also include concerns about inspectors' conduct or how the inspection was carried out, for example about the opportunity for a provider to present evidence, meetings as part of the inspection visit or inspectors giving on-site feedback. Some also feel that we did not fully consider the comments they gave on their draft inspection report. In all cases, the issues raised are handled in line with our complaints procedure.⁵⁵

The number of complaints we respond to each year can differ from the number received. This is because we respond to some complaints that we received in the previous period and we receive some complaints that are ongoing at the end of the year and will be responded to in the following period. Of the 1,199 complaints closed this year, 23% had an aspect upheld or partially upheld. In most upheld complaints, something in the inspection process could have been better or a small change was required to the report. We take prompt action to put things right. After complaint investigations closed this year, we changed the overall effectiveness judgement for five inspections. These were of two schools, one early years provider and two social care providers. We also deemed 13 inspections to be incomplete following a complaint, which led to inspectors carrying out a further visit to gather additional evidence. These were: four schools; two further education and skills providers, five early years providers and two social care providers.

55. Complaints procedure, Ofsted; <https://www.gov.uk/government/organisations/ofsted/about/complaints-procedure>.

One setting was an aligned education and care provider so counted twice. This continues to represent a very small proportion of all our inspection and regulatory activities.

This year, there was a decrease in the timeliness of responses to formal complaints. This was down from 97% to 82% due to the complexity of some complaints we received and other resource pressures.

The Independent Complaints Adjudication Service for Ofsted (ICASO) reviews how we handle and respond to complaints. Its annual report for 2022 covered the 18 complaints that year by complainants after the end of our internal process.⁵⁶ This is broadly in line with previous levels: 17 complaints in 2020; 15 complaints in 2019. There were only six complaints last year but that was a year when inspections were mostly suspended due to the pandemic. As the ICASO annual report puts it, 'Overall, the number of cases referred to the ICASO remains very small in the context of Ofsted's considerable workload.'

The ICASO annual report also stated:

'We are able to consider the quality of Ofsted's complaint-handling responses, including the clarity of explanations provided, and our overall view is that they demonstrate thorough consideration of concerns and set out clear analyses of the evidence and Ofsted's approach to the underlying issues.'

It is appropriate for us to report that, across the 18 cases on which we reported, we did not encounter any serious failings.

We are pleased to report that every one of adjudication reports was responded to personally by His Majesty's Chief Inspector, Amanda Spielman, or in her absence by her Deputy, Matthew Coffey. Every response included a specific comment and, where appropriate, a commitment to action, in relation to each individual recommendation put forward by our adjudicators.

This level of attention to complaints and what can be learned from them at the highest level within Ofsted is, in our view, very welcome.'

If a complainant remains dissatisfied after ICASO has considered their case, the final point of escalation is the Parliamentary and Health Service Ombudsman. The Ombudsman did not report on any complaints about Ofsted this year.

Future improvements

As the data from this year shows, complaints are infrequent. However, we are always looking for ways to improve and have started a public consultation on some new proposals.⁵⁷ These proposals include:

- enhancing on-site professional dialogue during inspections to help address any issues before the end of the inspection visit
- introducing a new opportunity for providers to contact Ofsted the day after an inspection if they have any unresolved concerns
- introducing new arrangements for finalising reports and considering formal challenges to inspection outcomes
- replacing our current internal review process with a direct escalation to ICASO and add a new periodic review of closed complaints, using external representatives from the sectors we inspect.

56. 'Annual report 2022', Independent Complaints Adjudication Service for Ofsted, 2022; <https://www.cedr.com/consumer/education>.

57. 'Consultation: Changes to Ofsted's post-inspection arrangements and complaints handling: proposals 2023', Ofsted, June 2023; <https://www.gov.uk/government/consultations/changes-to-ofsteds-post-inspection-arrangements-and-complaints-handling-proposals-2023>.

Complaints about schools

We also receive complaints about schools. These can be from parents and carers, other statutory agencies and members of the public. This year, we received 14,900 separate complaints about schools. In total, 13,700 complaints have been closed in the year.

We do have powers to investigate 'qualifying' complaints. A qualifying complaint is a complaint that raises serious whole-school issues. The majority of these complaints are about the leadership and management of a school, pupils' well-being or both. This year, there were 2,360 qualifying complaints closed, of which 2,240 also contained safeguarding matters.

We only consider qualifying complaints to determine whether to inspect a school sooner than scheduled. We have retained the information from around 1,530 complaints for the next scheduled school inspection so the issues can be taken into account at the inspection. On 76 occasions, we made a decision to carry out an immediate inspection.

We do not have powers to investigate individual safeguarding matters, so we refer these safeguarding concerns to the local authority or the police as the appropriate statutory agencies. Around 67% of closed complaints contained safeguarding concerns.

Some complaints do not qualify for investigation by Ofsted, for example when formal complaint routes have not been completed. In these cases, we advise complainants where to find help and support with their complaint. This can include details of other statutory agencies if their powers would ensure a better outcome for pupils. A summary of the information is available to lead inspectors so that it can inform the inspection planning of the next visit or inspection. This year, we have had 11,400 complaints closed that did not qualify for investigation.

Funding

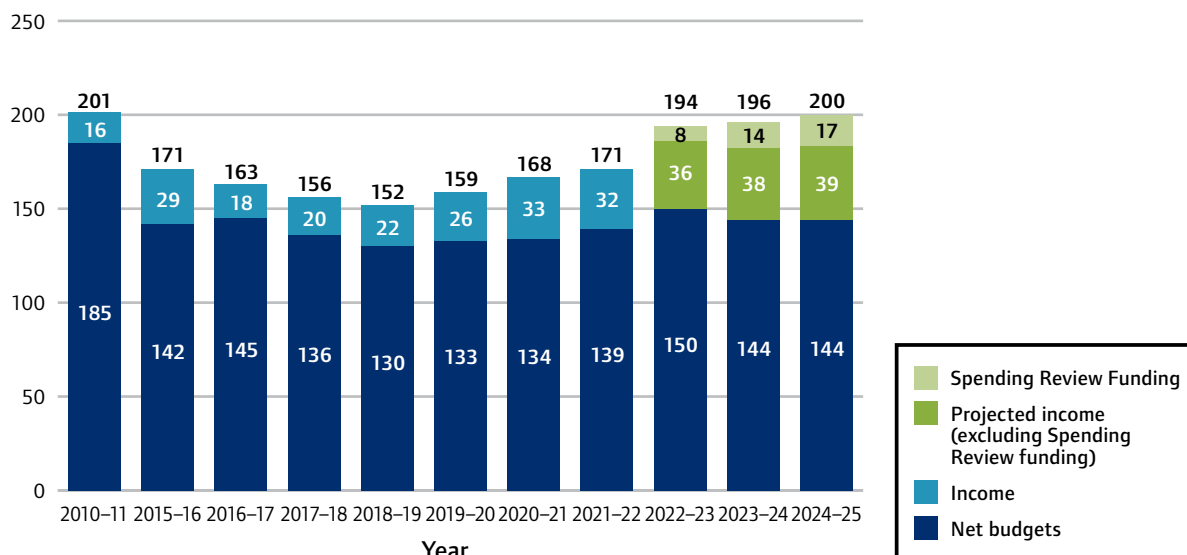
By the end of the current Spending Review period (2024–25), Ofsted's funding is expected to be at a similar level to 2010–11 in cash terms, although at least 25% lower in real terms. We have also been asked to do significantly more during that period. We did receive additional funding this year but this is specifically to fund new work agreed as part of the Spending Review, mainly to accelerate inspections 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 budget increase in the years following 2021–22 is due to budget exchange from 2021–22 into 2022–23 and a partial contribution towards the impact of inflation.⁵⁸

58. 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.
2. 2023-24 and 2024-25 are based on the Spending Review settlement; all prior years are based on the position after the Supplementary Estimate.
3. For clarity, the figures used in the graph for 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) 2022-23	Proportion of total expenditure %	Total public spending in England (millions) 2021-22**	Ofsted spending as proportion of total public spending %
Schools (Ofsted costs include schools, ITE, independent schools, area SEND)	76	40%	51,409	0.1%
Further education and skills	24	13%	10,462	0.2%
Social care	44	23%	11,766	0.4%
Early years	44	24%	3,547	1.3%
Total	188	100%	77,184	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 2021-22.



Performance analysis

This year was the first year of our new five-year strategy. In addition to carrying out our essential inspection and regulatory work, we began to implement eight new strategic priorities.

Our new strategy includes metrics to help us monitor the impact of our work. These metrics are about making sure that we know our overall direction and that we are stretching ourselves to get to where we want to be. They are not targets and it is important that we do not treat them as such. Many of the metrics are a proxy for the underlying aim, and some of these proxies are based on perception. So, there is a limit to the degree to which they can be relied on to assess progress towards the aim.

As this year is the first year of this strategy, the figures are baseline for new metrics. This means it is not possible to comment on trends. Some of the metrics were part of our previous strategy, so in those cases we have provided data and commentary on trends from previous years.

Below, we have set out each of our eight strategic priorities and our monitoring updates for this year.

Inspections that raise standards

‘Our inspections will help education and social care recover and improve.’

We surveyed leaders after an inspection to find out about the impact of the inspection. This year, over 90% told us that their inspection will help them to improve. This is in line with previous years, as the following table shows.

This year, we also surveyed leaders nine to 12 months after an inspection to ask whether they had made changes to improve standards. Most leaders said that they had used inspection findings to inform their improvement planning, but a smaller proportion had made changes to provision already.

As the table shows, there was a wide difference across remits: 71% of social care leaders said that they had made changes compared with 37% of school leaders. We carried out this survey in May 2023 (about experiences of inspection in the previous year). The results may have been influenced by the media debates about Ofsted in this period.

We surveyed practitioners in further education colleges in May 2023 about whether Ofsted inspections and guidance help them better match their offer to skills needs in the economy. Seventeen per cent agreed that they had. As we only introduced enhanced inspections in September 2022, at the time of the survey only 21% of colleges had had an enhanced college inspection and report published, so this represents a baseline figure. We will track it over time to assess our progress.

Post-inspection survey responses (2021–22 comparisons in brackets)

Metric	Target	Early years	State-funded schools	Independent schools	Further education and skills	Social care
Agree that the inspection will help improve standards [1]	90%+	90% (92%)	92% (93%)	96% (94%)	99% (98%)	93% (95%)
Of which strongly agree		67% (71%)	57% (59%)	71% (72%)	77% (77%)	58% (59%)
Post-inspection survey response rate		5% (4%)	48% (48%)	35% (36%)	44% (47%)	51% (56%)

[1] Full responses to Ofsted's post-inspection surveys are published at <https://www.gov.uk/government/collections/responses-to-ofsteds-post-inspection-surveys>.

Supplementary survey responses

Statement	Early years	State-funded schools	Independent schools	Further education and skills	Social care
Changes have been made to improve standards as a direct result of the inspection [2]	43%	37%	56%	69%	71%
Inspection findings have informed improvement planning [2]	60%	56%	83%	90%	87%
Ofsted inspections and guidance helps colleges match their offer to skills needs	–	–	–	17%	–

[2] Percentages are the proportion of respondents who strongly agree or agree to the statements. Number of responses (and survey response rate): 581 early years providers (20%); 227 state-funded schools (14%); 18 independent education (10%); 42 further education and skills providers (25%); 212 social care providers (30%).

Right-touch regulation

‘Our regulation will advance high-quality care, education and safeguarding for children.’

Our first metric under this priority is: ‘more providers will demonstrate good or outstanding leadership and management from the start, with fewer judged less than good at their first inspection and a reduction in repeated enforcement action.’

When selecting our metrics overall, we are mindful of avoiding perverse incentives. We are cautious about using our own judgements directly as a metric because there are many different things that can influence what the judgement is. We could be doing exactly what we should, but we might not see an increase in the overall percentage of providers rated good or outstanding. There is also a danger in using our own judgements as accountability metrics as it could, within the wrong culture, make inspectors feel pressure to grade due to the metric we have rather than the reality of what they are finding. The reason we decided to make an exception for this metric is because of the specificity of the first judgement after registration and the fact we think it is worth reviewing whether we are getting the balance right (or being ‘right touch’) with our registration.

This metric has remained relatively consistent with the baseline 2021–22 figures, excluding the percentage of social care settings that have more than one enforcement action in a year, which has seen a slight increase of 4% on last year.

The second metric is that more childminders agree that the benefits of their inspection outweigh any negative impacts. We recognise the impact that inspection can have on childminders, who usually work on their own and do not have colleagues to support them. That is why we look at whether childminders think that the benefits of their inspection outweigh any negative aspects. We are pleased that 89% agree that the benefits outweigh any negative aspects. This is in line with 2021–22 (91%).



Our third metric is reviews of regulatory and inspection reports and activity. To meet this, we carry out reviews of our regulatory and inspection reports and activity on a rolling basis through focused analysis of reporting, which then informs our continual improvement.

Rates of enforcement action and judgement at first inspection

Indicators	2022–23		2021–22	
	EY	SC	EY	SC
The proportion of providers with an outcome of inadequate with enforcement at first inspection that also had an outcome of inadequate with enforcement at their next inspection	5%	N/A	7%	N/A
The percentage of social care settings that have more than one enforcement action in a year	N/A	20%	N/A	16%
Percentage judged less than good at their first inspection	14%	28%	15%	31%
Percentage of providers judged good or outstanding in leadership and management at first inspection	86%	60%	85%	57%

Post-inspection survey responses from childminders

	2022–23	2021–22
More childminders agree that the benefits of their inspection outweigh any negative aspects	89%	91%



Making the most of our insights

‘We will share insights about the education and children’s social care sectors through our research and analysis. Our insights inform practitioners, policymakers and decision-makers and lead to improvements across the system.’

Our metrics measure the percentage of stakeholders who have read and used our research, including through downloads and views of our research, evaluation and management statistics.

We commissioned YouGov to survey practitioners in early years, social care and further education and skills to ask them whether they had read our research and, if so, whether they had made changes to their practice as a result. We also commissioned Teacher Tapp to ask teachers the same questions.

We found that around half of practitioners in early years, social care and schools have read some of our research. But this was a lower proportion (16%) for further education and skills practitioners. When practitioners have read Ofsted’s research, the majority in early years (57%) and social care (68%) had made changes to their practice as a result. Almost half (48%) had done so in further education and skills. In schools, over half of teachers surveyed (51%) had read Ofsted’s research. Of those, 41% had made changes to their practice as a result. This is broadly consistent with 2021–22 figures.

Our research, evaluation and management statistics have been accessed just over 800,000 times, a substantial increase compared with last year (accessed almost 570,000 times). We have published a number of reports this year, including subject reports and the first in a series of early years research reviews, which have generated high numbers of views and downloads.

There have also been more downloads and views of our management statistics: accessed almost 100,000 times compared with just over 50,000 times last year.

Metrics	2022–23				2021–22			
	EY	Schools	FES	SC	EY	Schools	FES	SC
An increase in the percentage of stakeholders who have read and used our research								
Read Ofsted research	44%	51%	16%	50%	–	55%	–	–
Of those who have read Ofsted research, how many have made changes to practice as a result	57%	41%	48%	68%	–	51%	–	–

Metrics	2022–23		2021–22	
	Research and evaluation	Management information and statistics	Research and evaluation	Management information and statistics
More downloads and views of our research, evaluation and management statistics	807,200	98,900	567,800	51,600

Note: Numbers over 100 have been rounded.

Best start in life

‘We will develop the evidence base about early years education, including curriculum and pedagogy, and act on it.’

This is a new strategic priority for us to recognise the importance of the evidence base about early years education. We have not previously collected metrics on this topic. As a result, the metrics we have collected this year form our baseline for future years.

We surveyed practitioners and leaders in May 2023 to find out how they used research and communications from us. We will commission focus groups for next year’s Annual Report and Accounts to understand further some of the themes from this research. Almost half (44%) of practitioners and leaders have read our research on early years. Of those, 57% have made changes to their practice as a result.

Eighty per cent of practitioners and leaders have found at least one of our channels of communication helped them to improve their practice. The communication channel that the highest proportion of respondents (52%) found improved their practice was our website, followed by discussion with inspectors during/after inspection (50%), our research publications (48%), webinars (43%) and Facebook (40%).

Metrics	2022–23
Early years practice will improve because practitioners use our research, evidenced by feedback from focus groups with the sector	<p>We will be using focus groups to explore the following results from our survey of practitioners and leaders:</p> <p>Almost half (44%) of practitioners and leaders have read our research on early years.</p> <p>Of those who have read our research, 57% have made changes to their practice as a result.</p>
The percentage of early years leaders who agree that communication from Ofsted has informed their practice will increase	80% of practitioners and leaders have found at least one of our channels of communication helped them to improve their practice.



Keeping children safe

‘We will promote children’s safety and welfare in everything we do.’

Promoting children’s safety and welfare is something we do as part of all our work. Our metrics measure our impact on unregistered provision and the impact of JTAIs.

The proportion of unregistered social care settings that comply or close has remained stable. There has been a 5% decrease in the proportion of unregistered schools that comply or close. This could be because of a period of reduced capacity in the inspector team earlier in the year or could be normal fluctuation. We will keep this under review.

We continue to see positive updates for this priority through the new JTAI framework. Early feedback indicates that inspection findings help providers to improve their services for children, but responses at this stage are too few to draw robust conclusions yet.

Metrics	2022–23		2021–22	
	Schools	SC	Schools	SC
Proportion of identified unregistered provision that registers, complies or closes	15%	33%	20%	34%
An increase in those who are inspected as part of a JTAI agreeing that the experience of inspection and its findings will help them improve the services they offer	The number of survey responses is currently too small to be statistically robust enough to report.		The questions were updated as part of the new JTAI framework	

Keeping pace with sector changes

‘We will keep pace as the education and social care sectors evolve. We will continually review our approach and advocate for additional powers where required.’

We continue to press government for legislative and policy changes to help us keep pace with changes in the sector. Most notably, we would like powers to inspect multi-academy trusts (MATs) and to strengthen our oversight of group providers.

While doing this, we have made changes within existing policy, legal and resource constraints. These include:

- changing our approach to MAT summary evaluations (MATSEs)
- improving the way we manage relationships with MATs
- looking at how we can better analyse data about multiple providers in early years and children’s social care
- reviewing our approach to inspecting large and complex providers, such as very large multi-site colleges.

Metrics	2022–23
The majority of MAT leaders who have received a MATSE will agree that they will use the findings of the summary evaluation to move the MAT forward	100% strongly agree with the statement (4 of 4)
MATs are held to account through inspection	DfE has published its regulatory and commissioning review. The scope has changed to focus more on the DfE’s own commissioning decisions rather than trust assessment or intervention. We will continue to make the case for MAT inspection
There is strengthened regulatory oversight of early years multiple providers and social care groups	We are developing options for a bespoke application and registering process for multiple providers. We remain concerned about the wider regulatory system for group providers in children’s social care and have advised the DfE on the changes that we believe are necessary

Accessible and engaged

‘We will be open and accessible to our different audiences, understanding their needs and always acting in the best interests of children and learners.’

The number of parents who agree that Ofsted works in the interest of children remains high and stable. This would indicate that our messaging continues to resonate with parents and that they understand the value of Ofsted.

The proportion of parents who know the Ofsted judgement of their child’s school or early years provider has also remained high and stable, with a slight increase among parents of children attending early years provision.

Parents’ views on Ofsted

Metrics	2022–23				2021–22			
More parents and carers, from all groups in society, will agree that Ofsted works in the best interests of children	EY		Schools		EY		Schools	
	Agree	Neutral	Agree	Neutral	Agree	Neutral	Agree	Neutral
	67%	19%	58%	23%	66%	18%	57%	25%

Parents’ knowledge of the grade of their child’s provider

	January 2023		May 2022		March 2021	
We will maintain the high proportion of those who know the Ofsted judgement of the provider to which they send their children	EY	Schools	EY	Schools	EY	Schools
	82%	83%	79%	83%	73%	84%

User satisfaction rates

Metrics	2022–23		2021–22	
An increase in the percentage of providers and the public satisfied with the service they have used	Find an inspection report	Registration services	Find an inspection report	Registration services
	59%	57%	42%	58%

A skilled workforce

‘We will make sure we have the tools, knowledge and expertise we need to continue to be a force for improvement.’

Ofsted continues to be a great place to work, as noted in the workforce section of this report. This is reflected in our performance against the strategic metrics under this priority.

There has been a slight decrease in the average (mean) length of service for inspectors, but it still lies within the range of three to four years outlined in the strategy. There has been a 10% increase on last year in the proportion of inspectors who, on leaving, report that Ofsted has helped them to develop their career. There has also been a substantial increase in the proportion of HMI who become contracted inspectors on leaving.

Metrics	2022–23	2021–22
The average length of service for inspectors will be at least between three and four years	3.1 years	3.7 years
A high proportion of those who leave become externally contracted inspectors	79% (48 out of 61)	31% (28 out of 89)
We will maintain the number of staff who report having the right skills to do their job	94%	95%
There will be an increase in the number of staff who report having the right tools to do their job	85%	79%
The percentage of staff leaving Ofsted who agree that working at Ofsted has helped them develop their career	APT 52%, inspectors 56%	APT 51%, inspectors 46%



ACCOUNTABILITY REPORT



Corporate governance report 2022–23

The corporate governance report contains three sections:

- the directors' report
- the statement of Accounting Officer's responsibilities
- the governance statement.

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.

The report covers the year to 31 March 2023. It also includes information about some significant matters up until the date of publication.

Directors' report

Ofsted is a non-ministerial government department linked to, but independent of, the DfE.

Ofsted is led by HMCI, Amanda Spielman, whose term of office runs to 31 December 2023. HMCI is responsible for inspecting and regulating services for children and learners and is accountable to Parliament. Her duties are set out in Ofsted's corporate governance framework.⁵⁹

Executive leadership team

The executive leadership team consists of:

- Amanda Spielman, HMCI
- Matthew Coffey CB, Chief Operating Officer
- Andrew Cook, Regional Director, North West and West Midlands
- Caroline Dulon, Regional Director, London (appointed 1 June 2022)
- Katrina Gueli, Regional Director, North East, Yorkshire & Humber (appointed 1 April 2022, previously Regional Director, East Midlands)
- Matthew Purves, Regional Director, South East
- James McNeillie, Regional Director, South West
- Mike Sheridan, Regional Director, East Midlands and East of England (appointed 1 June 2022, previously Regional Director, London)
- Chris Jones, Director, Strategy and Engagement
- Alex Jones, Director, Insights and Research
- Chris Russell, National Director, Education
- Lee Owston, Acting National Director, Education (30 November 2022 to 14 April 2023)
- Yvette Stanley, National Director, Regulation and Social Care
- Louise Grainger, Director, Finance, Planning and Commercial
- Neil Greenwood, Director, Digital and Information
- Lorna Fitzjohn, Regional Director, East of England (retired 29 April 2022)
- Karen Shepperson, Director, People and Operations (retired 21 April 2023)

59. 'Ofsted's corporate governance framework', Ofsted, March 2023;
<https://www.gov.uk/government/publications/ofsteds-corporate-governance-framework>.

Members of the leadership team had the following interests in 2022–23:

Name	Organisation	Role	Organisation type
Amanda Spielman	Victoria and Albert Museum	Trustee	Museum
	Civic Future	Advisory board member	Not for profit organisation
Matthew Coffey	Institute of Regulation	Director and Trustee	Charitable trust
Louise Grainger	King's School	Governor	School
	Ofqual	Audit and risk assurance committee member	Non-ministerial government department
	Small and Medium Departments Finance Directors Forum – sub-committee of HM Treasury's Finance Leadership Group (FLG)	Chair	Government department
Alex Jones	Nonsuch Primary School	Governor	School
Mike Sheridan	MK Dons Sports and Education Trust	Trustee	Charity
Yvette Stanley	Nuffield Foundation	Panel member	Charitable trust
	What Works Centre	Panel member	Charity
	National Leadership College Board	Board member	Government department
	Kinship	Trustee	Charity

Board

The board had the following membership during the year:

Name	Notes	Term end
Dame Christine Ryan	Chair	August 2026
Amanda Spielman	HMCI	
Felicity Gillespie		August 2026
Dr Christopher Hanvey		August 2025
David Meyer OBE		August 2025
Joanne Moran		August 2026
Sir Hamid Patel CBE	Senior board member	July 2025
Martin Spencer	Chair of Audit and Risk Assurance Committee	July 2027
Carole Stott OBE		July 2025
Baroness (Laura) Wyld		July 2027
Jon Yates		August 2026
Frank Young		August 2025
John Cridland CBE		July 2022
Julie Kirkbride		July 2022
Venessa Willms OBE		July 2022

The audit and risk assurance committee (ARAC) had the following membership during the year:

Name	Notes
Martin Spencer	Chair
Laura Wyld	
Ian Looker	Co-opted member
Christopher Hanvey	Appointed September 2022 (resigned 26 April 2023)
Joanne Moran	Appointed September 2022
Julie Kirkbride	Term ended July 2022
Venessa Willms	Term ended July 2022

Board and committee members reported the following directorships and other significant interests in 2022–23:

Name	Organisation	Role	Organisation type
Christine Ryan	Ryan and Grunsell Limited	Partner	Consultancy
	Ofqual	Board member	Non-ministerial government department
	OKRE (Opening Knowledge across Research and Entertainment)	Trustee	Charity
Hamid Patel	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
	School-Led Development Trust	Trustee	Company
Felicity Gillespie	Kindred Squared	Director	Charity
	Department for Education	Governance Adviser	Government department
Christopher Hanvey	Pathways Care	Member of the Fostering Panel	Company
	Care Quality Commission	Special Advisor	Executive non-departmental public body
	The Children's Consultancy Ltd	Advisor	Company
	Therapeutic Care Journal	Member of the Editorial Board	Company
	Martin James Foundation	Trustee	Charity

Name	Organisation	Role	Organisation type
David Meyer	PaJeS (Partnership for Jewish Schools)	CEO	Charity
	LEAP Educational Consultancy	Director	Consultancy
	Pikuach – Inspectorate for Jewish schools	Board member	
Joanne Moran	Marks and Spencer	Executive Head of Customer Service (until July 2022)	Company
	Moat Housing	Board member	Housing association
	Dolphin Housing	Board member	Housing association
Martin Spencer	Education and Skills Funding Agency	Chair	Executive agency
	NHS Counter Fraud Authority	Board member	Health authority
	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	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)
Laura Wyld	House of Lords	Member	Parliament
	Integration of Primary and Community Care	Member	Parliamentary committee
	Children and Families Act 2014 (post-legislative) Committee	Member	Parliamentary committee
	Newcastle University	Member of Court	University
	Platinum Jubilee Pageant (until June 2022)	Member of Advisory Committee	Not-for-profit event

Name	Organisation	Role	Organisation type
Jon Yates	Youth Endowment Fund	Executive Director	Charitable trust
	Children's Commissioner	Board member	Non-departmental public body
	UK Youth	Trustee	Charity
Frank Young	Civitas: Institute for the Study of Civil Society	Editorial director	Think tank
	First Star Scholars UK	Trustee	Charity
	Marriage Foundation	Board member	Charity
Ian Looker (co-opted member of ARAC)	York College	Chair	Further and higher education college
	University of Cumbria	Director	University
John Cridland	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 Transport Acceleration Council	President	Sub-national transport body
Julie Kirkbride	Lotteries Council	Adviser	Membership body
	New Schools Network	Vice Chair	Charity
	Volunteering Matters	Trustee	Charity
Venessa Willms	ARK	Director of Education	Multi-academy trust
	ARK Boulton Academy	Chair of Governors	Multi-academy trust
Hamid Patel	University of Birmingham	Honorary Professor	University
David Meyer	DDSM Ltd	Director	Company

Statement of Accounting Officer's responsibilities

HMCI is Accounting Officer for Ofsted and must make sure that Ofsted operates with regularity and propriety, and that we spend resources efficiently to secure value for public money. This is set out in 'Managing public money', published by HM Treasury.⁶⁰

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.

In preparing the accounts, the Accounting Officer must comply with the requirements issued in the Government Financial Reporting Manual (FReM). In particular, they must:

- 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.

The responsibilities of an Accounting Officer are set out in 'Managing public money'. This includes their responsibilities for: propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Ofsted's assets.

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
Accounting Officer

11 July 2023

60. 'Managing public money', HM Treasury, May 2012 (updated May 2023)
<https://www.gov.uk/government/publications/managing-public-money>.

Governance statement

As Accounting Officer, HMCI is responsible for maintaining a sound system of internal control that supports us to achieve our policies, aims and objectives. This system must safeguard the public's funds and our assets, for which HMCI is responsible.

Ofsted complies with the relevant sections of the code of practice for corporate governance in central government departments. We also adhere 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 2023 and, by exception, to the date of this report.

Governance structure

Non-executive board

The responsibilities of the board are set out in the corporate governance framework. Dame Christine Ryan was reappointed for a further three-year term to August 2026, following her initial three-year term. A senior board member supports the chair and deputises when necessary. The position is held by Sir Hamid Patel.

Following a recruitment process regulated by the Commissioner for Public Appointments, the Secretary of State appointed six new non-executive board members in August 2022. Felicity Gillespie, Joanne Moran and Jon Yates will serve for a period of four years. David Meyer, Chris Hanvey and Frank Young will serve for a period of three years. Two serving members, Sir Hamid Patel and Carole Stott, were reappointed to serve for an additional three years from 1 August 2022. End dates are staggered to ensure continuity.

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.

The board met four times formally in the reporting period and considered a number of issues, including:

- corporate performance
- updates from each business area
- strategic risks and risk management
- the Annual Report and Accounts (ARA)
- the new strategy 2022–27 and developing a strategic dashboard to track progress against our strategic priorities
- a deep dive into the 'Keeping pace' strategic priority and strategic risks.

Review of board effectiveness

The board commissioned an external reviewer to examine its effectiveness. The scope of the review was within the legislation that underpins Ofsted's corporate governance arrangements, which document the board's roles and responsibilities. The review is now complete. We have made clarifications to the corporate governance framework to ensure that it helps to support good governance.

Audit and Risk Assurance Committee

The board can delegate functions to committees. The ARAC is the only committee at this time.

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.

In the reporting period, the committee had four board members and one independent financially qualified member. Martin Spencer chaired the committee for the reporting period.

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.

In 2022–23, the committee:

- monitored the implementation of audit recommendations and reviewed internal audit reports relating to HR assurance (payroll) and Ofsted’s safeguarding group
- provided assurance on risk management
- strengthened risk management by helping to develop the strategic risk register in light of the new strategy 2022–27
- engaged with the executive to ensure that the risk register reflects the challenges facing Ofsted in achieving its long-term strategic objectives
- reviewed the Annual Report and Accounts 2022–23 before it was submitted for audit and Accounting Officer certification
- reviewed the proposed timeline for producing the 2022–23 Annual Report and Accounts
- monitored delivery of the 2022–23 internal audit plan
- reviewed the ‘whistle-blowing and raising a concern’ policy
- reviewed the NAO’s audit planning report.

Board and committee member attendance: 1 April 2022 to 31 March 2023

Meetings attended (out of possible)

Board member	Actual/possible (Board)	Actual/possible (ARAC)
Christine Ryan	6/6	
Amanda Spielman	6/6	3/5
Hamid Patel	6/6	
Martin Spencer	3/6	5/5
Carole Stott	4/6	
Laura Wyld	5/6	5/5
Felicity Gillespie	4/4	
Christopher Hanvey	1/4	1/3
David Meyer	4/4	
Joanne Moran	4/4	2/3
Jon Yates	4/4	
Frank Young	4/4	
Ian Looker		5/5
John Cridland	1/2	
Julie Kirkbride	2/2	1/1
Venessa Willms	2/2	1/1

Executive board

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.

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 regional directors make up the executive board.

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 held 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

Risk management is an integral part of governance procedures. The strategic risk register is used to identify, monitor and help mitigate threats to delivering 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.

This year, the strategic risk register was reviewed by the non-executive board, ARAC and the executive board. They ensured that it aligns with our new strategic priorities and that risks are at a level we are willing to accept. We want the risk register to help us report risks in a timely, proportionate and useful way. This supports our decision-making and helps us give the Accounting Officer, ARAC and the board an oversight of those risks and what mitigations are in place.

Strategic risk register

This year, the strategic risk register included risks related to the following topics.

Delivery

Our risk register includes risks to delivering our funded inspection programme. We have put in place measures to ensure that we maintain enough capacity and capability to deliver the funded inspection programme.

Quality (our inspections will promote improvements and raise standards)

Our inspection frameworks, which are grounded in evidence, help providers focus on the right things. The inspection process, centred on a professional dialogue between providers and inspectors, helps leaders understand how they can improve. Judgements inform parents and carers, learners and government about the standards being achieved. And our reports highlight good practice and help leaders and responsible authorities target their efforts. We continue to manage risks that our inspections do not enable providers to improve, for example through evaluating our frameworks and monitoring post-inspection feedback to understand what is working well and what could be improved.

Quality (our decision-making will make children safer)

We will promote children's safety and welfare in everything we do. It is vital that we highlight systemic safeguarding issues wherever we find them, so that providers or other appropriate agencies can take preventative action. It is our responsibility to report on these issues and set out how children can be protected, as well as holding providers to account for their actions. We will work with the DfE on toughening the law to increase our oversight of unregistered settings.

Quality (right-touch regulation)

Proportionate and risk-based regulation of early years and children's social care is critical to ensuring good outcomes for children. We put the interests of children at the heart of our work, checking that providers are achieving high standards of care, while using the appropriate regulatory force required to achieve our objectives. Our comprehensive risk assessments mean we concentrate resources on the areas that need them most, only intervening where there is a clear case for doing so.

Workforce

To be a force for improvement, it is essential that our staff are engaged and motivated and have knowledge and expertise to do their jobs well. Over the coming years, we have an ambitious work programme that will require more staff, so we need a proactive and flexible approach to how we recruit and retain our workforce. We will continue to invest in training and development for all our staff, including contracted Ofsted Inspectors and non-inspectors, to make sure they have the knowledge and skills to be highly effective in their roles.

External factors

Our risk register includes the risk that the delivery of our strategy is affected by the lack of legislative, policy or other action from government. The current political environment means that much of the planned legislative or policy change from government is now not going forward or is uncertain. This year, we worked closely with the DfE on the Schools Bill provisions relating to improving independent school regulation and Ofsted's powers to inspect unregistered schools. We are extremely disappointed that these important provisions fell away when the bill was dropped. We will continue to press for this legislation to help make sure that children are properly educated and kept safe.

Credibility

Ofsted's guiding principle is to be a force for improvement through intelligent, responsible and focused inspection, regulation and insights. 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.

Financial

We take account of both impact of, 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

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. External events include increased energy prices, wider inflation, strikes in relevant sectors, and potential industrial action among our employed staff. Our cyber security stance remains vigilant, given the growing and changing security threats to government and the education sector. We have a programme in place to increase our people capacity and our system capabilities.

Data incidents

So far this year, we have reported zero personal data incidents to the Information Commissioner's Office (ICO).

There have been 120 non-reportable incidents since 1 April 2022, each of which was contained.

The most common type of personal data incident reported involved emails being sent to the incorrect address, along with incorrect files being attached to emails.

Internal audit

The Government Internal Audit Agency (GIAA) serves as Ofsted's internal auditor throughout the year. As the government's main provider of internal audit services, GIAA offers a cross-government perspective.

This year, the Head of Internal Audit gave a 'substantial' opinion, stating that overall Ofsted's framework of governance, risk management and control was adequate and effective. This was the fourth consecutive year that GIAA has given a 'substantial' opinion.

Functional standards

Ofsted adheres to Cabinet Office functional standards: 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 have an assurance process for 2022–23 in place to make sure we comply with each standard in a way that meets business need and priorities.

By the end of the financial year, we have met all mandatory elements that apply to Ofsted, in the following areas:

- GovS 001: Government functions
- GovS 002: Project management
- GovS 003: Human Resources
- GovS 005: Digital, Data and Technology
- GovS 006: Finance
- GovS 009: Internal audit
- GovS 010: Analysis
- GovS 011: Communication
- GovS 013: Counter Fraud.

Ofsted is not responsible for cross-government assets and does not have any heritage assets. This means that not all mandatory elements of the [GovS 004: Property](#) functional standard apply.

In common with many government departments, we do not meet all of the physical security standards in the [GovS 007: Security](#) functional standard. We share our office buildings with other departments; we are not the landlord or the majority tenant. This means we cannot, for example, determine entry arrangements into the buildings. We are compliant with the majority of the mandatory [GovS 008: Commercial](#) functional standards. We also have an action plan to improve compliance. Our auditor, GIAA, has a timeline to review our compliance with this standard over the next few years.

The only area we are not compliant with is the [GovS 014: Debt functional standard](#). This is to ensure that 'the debt management strategy shall be consistent with the cross-government debt strategy'. The Debt Centre of Excellence (DCoE) aims to publish a 2023–26 strategy in 2023. At that point, we will carry out a review to ensure consistency with our strategy.

The [GovS 015: Grants](#) functional standard only relates to departments that provide grants.

Internal controls

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.

HMCI reviews the systems in place to minimise risks and to support us to achieve 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. 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

The Secretary of State for Education appoints board members in line with government guidelines. Full details of board members' dates and terms of appointment are in the governance statement.

Appointment of the Permanent Head of the Department and directors

Amanda Spielman has been HMCI since January 2017. Her term of appointment runs to December 2023.

The members of the executive board and their dates of appointment are listed in the governance statement. The senior civil servants (SCS) covered by this report hold permanent appointments.

Civil Service appointments are made in accordance with Civil Service recruitment principles, which require appointments be made on merit through fair and open competition.

Remuneration policy

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.

Ofsted operates an SCS pay committee consisting of HMCI, senior civil servants and a non-executive board member. This committee decides annual SCS pay and bonus awards, as well as any changes to Ofsted's SCS pay strategy. Carole Stott is the non-executive member. The role of the independent member is to quality assure the process. She ensures that individual pay decisions are based on consistent criteria and evidence of individual performance.

Ofsted's approach to assessing SCS performance follows the relevant Cabinet Office guidance. Our assessment is based on:

- whether objectives have been met
- demonstration of leadership behaviours and working in line with Ofsted and Civil Service values
- professional skills
- management of resources
- degree of difficulty in meeting the objectives considering actual events.

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.

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

The remuneration of board members for the year ending 31 March 2023 was as follows:

Name	Remuneration (£'000)	
	2022–23	2021–22
Christine Ryan (Chair)	45–50	45–50
Felicity Gillespie (from 1 Aug 2022)	5–10	–
Christopher Hanvey (from 1 Aug 2022)	5–10	–
David Meyer (from 1 Aug 2022)	5–10	–
Joanne Moran (from 1 Aug 2022)	5–10	–
Hamid Patel	5–10	5–10
Martin Spencer	5–10	5–10
Carole Stott	5–10	5–10
Jon Yates (from 1 Aug 2022)	5–10	–
Frank Young (from 1 Aug 2022)	5–10	–
Laura Wylld	5–10	5–10
John Cridland (to 17 July 2022)	0–5 (5–10 FYE)	5–10
Julie Kirkbride (to 31 July 2022)	0–5 (5–10 FYE)	5–10
Venessa Willms (to 17 July 2022)	0–5 (5–10 FYE*)	5–10

* FYE = full-year equivalent

Remuneration of executive board members

The remuneration of the most senior staff for the year ending 31 March 2023 was as follows:

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total (£'000)	
	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22
Amanda Spielman	190–195	185–190	–	–	–	–	74	73	265–270	260–265
Matthew Coffey	150–155	145–150	5–10	0–5	–	–	–	35	155–160	185–190
Andrew Cook	135–140	130–135	5–10	–	–	–	9	35	150–155	165–170
Caroline Dulon (from 1 Jun 2022)	100–105 (120–125 FYE)	–	–	–	–	–	41	–	140–145	–
Louise Grainger	100–105	95–100	–	–	–	–	19	24	120–125	120–125

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total (£'000)	
	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22	2022–23	2021–22
Neil Greenwood	100–105	100–105	–	–	–	–	8	28	110–115	125–130
Katrina Gueli	125–130	120–125	0–5	–	–	–	35	43	165–170	165–170
Alex Jones	110–115	0–5 (100–105 FYE)	–	–	–	–	182	5	295–300	5–10
Chris Jones	115–120	95–100	–	–	–	–	45	38	160–165	135–140
James McNeillie	120–125	110–115	–	–	–	–	49	45	170–175	155–160
Lee Owston (from 5 Dec 2022)	30–35 (105–110 FYE)	–	0–5	–	–	–	14	–	50–55	–
Matthew Purves	120–125	20–25 (120–125 FYE)	–	–	–	–	114	23	235–240	40–45
Christopher Russell	145–150	135–140	–	–	–	–	3	18	145–150	155–160
Michael Sheridan	135–140	140–145	–	–	–	–	12	35	150–155	170–175
Karen Shepperson	125–130	120–125	10–15	–	–	–	-28	19	110–115	140–145
Yvette Stanley	140–145	140–145	5–10	0–5	–	–	49	48	195–200	190–195
Lorna Fitzjohn (to 1 May 2022)	10–15 (130–135 FYE)	125–130	–	–	–	–	-7	-11	0–5	115–120

‘Salary’ includes gross salary, recruitment and retention allowances, and other allowances to the extent that they are subject to UK taxation.

In line with the SCS pay framework, bonus payments are based on performance and are made as part of the appraisal process.

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 2023)

There was a 2% pay increase to the highest-paid director’s salary in 2022–23 compared with the previous year.

For Ofsted employees, the average percentage changes from the previous financial year were:

		2022-23	2021-22	% Change
		(£'000)		
Highest-paid director	Salary and allowances	190-195	185-190	2%
	Performance pay and bonuses	–	–	0%
Employees (average by FTE)	Salary and allowances	54	51.5	4.9%
	Performance pay and bonuses	0.54	0.57	5.3%

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.⁶¹ This is laid out in the table below.

Remuneration	2022-23		2021-22	
	Value (£'000)	Ratio	Value (£'000)	Ratio
Banded mid-point for highest-paid director	192.5	–	187.5	–
Upper quartile of total	73.0	2.6	69.1	2.7
Mid-point of total (median)	53.2	3.6	49.1	3.8
Lower quartile of total	33.6	5.7	30.0	6.3

Salary component	2022-23
	Value (£'000)
Banded mid-point for highest-paid director	192.5
Upper quartile of total	72.5
Mid-point of total (median)	52.8
Lower quartile of total	33.1

The banded remuneration of the highest-paid director in Ofsted in the financial year 2022-23 was £192,500 (2021-22: £187,500). This was 3.6 times (2021-22: 3.8) the median remuneration of the workforce, which was £52,800 (2021-22: £49,100).

In 2022-23, no employees were paid more than the highest-paid director (2021-22: also none). Remuneration ranged from £21,844 to £192,500 (2021-22: £16,000 to £187,500). This does not include employees on the Kickstart scheme, who receive the national minimum wage appropriate to their age.

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.

61. 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>.

The median remuneration of the workforce increased this year to £52,800.

Pension benefits

The pension entitlements of the most senior members of staff for the year ending 31 March 2023 were as follows:

	Accrued pension at pension age as at 31/03/2023	Real increase in pension and related lump sum at pension age	CETV* at 31/03/2023	CETV at 31/03/2022	Real increase in CETV*
Name	£'000	£'000	£'000	£'000	£'000
Amanda Spielman	25–30	2.5–5	436	348	53
Matthew Coffey	60–65 plus a lump sum of 95–100	0–2.5 plus a lump sum of 0	1,081	987	-20**
Andrew Cook	40–45	0–2.5	819	734	-9**
Caroline Dulon	15–20	0–2.5	164	135	16
Louise Grainger	50–55	0–2.5	701	630	7
Neil Greenwood	40–45	0–2.5	608	551	-6**
Katrina Gueli	40–45	0–2.5	644	572	20
Alex Jones	35–40	7.5–10	428	280	111
Chris Jones	20–25	2.5–5	172	143	13
James McNeillie	25–30	2.5–5	324	276	24
Lee Owston	20–25	0–2.5	201	186	6
Matthew Purves	35–40	5–7.5	437	330	64
Christopher Russell	35–40	0–2.5	744	693	-9**
Michael Sheridan	60–65	0–2.5	783	710	1
Karen Shepperson	65–70 plus a lump sum of 125–130	0	1,259	1,166	-44**
Yvette Stanley	10–15	2.5–5	213	162	33
Lorna Fitzjohn	55–60 plus a lump sum of 170–175	0	1,213	1,208	-7**

*CETV = cash-equivalent transfer value.

** Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Civil Service pensions

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 join the alpha pension scheme. 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).

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.

The pension figures quoted for officials show pension earned in all Civil Service schemes. 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.

Employee contributions are salary-related and range between 4.6% and 8.05%

- Benefits in alpha are based on the employee's pensionable earnings during their period of scheme membership. 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.
- Members may opt to give up ('commute') pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational-defined contribution pension arrangement that 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).

The accrued pension quoted is the pension that the member is entitled to receive at state pension age, or immediately on ceasing to be an active member if they are already at or over state pension age. (The pension figures quoted show pension earned in alpha or PCSPS, 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).

You can find further details about Civil Service pension arrangements at:
www.civilservicepensionscheme.org.uk.

Cash-equivalent transfer values

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.

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. CETV figures were calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was in place as at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used to calculate 2023–24 CETV figures.

Real increase in CETV

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

No compensation for loss of office payments was made in 2022–23 (2021–22: none).



Staff report part A: audited

Number of senior civil servants by pay band

Total remuneration	As at 31 March 2023	As at 31 March 2022
Permanent secretary equivalent	1	1
SCS Band 3	1	1
SCS Band 2	12	12
SCS Band 1	18	18
Total	32	32

Staff numbers

Type of staff	2022-23			2021-22
	Permanently employed staff	Others	Total	Total
Executive board	15	–	15	16
Other SCS	15	–	15	15
Inspection	903	7	910	802
APT*	960	98	1,058	994
Total	1,893	105	1,998	1,828
Of which: staff engaged on capital projects	25	11	36	25

* Administrative, professional and technical

Staff costs

	2022-23			2021-22
	Permanently employed staff	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	99,672	6,848	106,520	95,142
Social security costs	12,026	157	12,184	10,144
Apprentice levy	488	–	488	431
Pension costs	27,083	343	27,426	23,935
Exit costs	367	–	367	473
Sub total	139,637	7,348	146,984	130,125
Less recoveries in respect of outward secondments	203	–	203	150
Less capitalised costs	1,734	2,155	3,889	2,525
Total net costs	137,699	5,193	142,892	127,450

Reporting of Civil Service and other compensation schemes – exit packages

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.

There were no compulsory redundancies in 2022–23.

Number of exit packages by cost band

Exit package cost band £'000	Number of compulsory redundancies	Number of other departures agreed	2022–23 total number of exit packages by cost band	2021–22 total number of exit packages by cost band
0–10	–	3	3	3
10–25	–	2	2	2
25–50	–	–	–	3
50–100	–	4	4	1
100–150	–	–	–	2
150–200	–	–	–	–
200+	–	–	–	–
Total number of exits	–	9	9	11
Total resource cost £'000	–	346	346	473

Monitoring of consultancy and temporary staff (not subject to audit)

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

	2022–23	2021–22
	£'000	£'000
Consultancy	119	474
Temporary and agency staff	5,646	5,567



Off-payroll engagements (not subject to audit)

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.

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

Number (No.) of existing engagements as of 31 March 2023	16
Of which, no. that existed:	
Less than 1 year	9
For between 1 and 2 years	3
For between 2 and 3 years	4
For between 3 and 4 years	–
For 4 or more years	–

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

No. of temporary off-payroll workers engaged during the year ended 31 March 2023	23
Of which:	
Not subject to off-payroll legislation	23
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	–

There were no off-payroll engagements of board members and/or senior officials with significant financial responsibility in 2023–23.

Staff report part B: unaudited

Staff composition

On 31 March 2023, Ofsted directly employed 2,050 staff across England.

Headcount by sex:

	Female	Male	Total
Executive board	6	10	16
Other SCS	8	8	16
Inspection	736	250	986
APT	654	378	1032
Total	1,404	646	2,050

Employee matters

Sickness

Following a peak in May 2022 at 8.6 days, our average working days lost has reduced month on month to seven days by March 2023. We will continue work during 2023–24 to sustain and build on the reduction.

Turnover

Staff turnover as at 31 March 2023 was 14.4%. There continues to be variation between remits and grades. Recruitment and retention of talent continue to be priorities. Pay differentials are growing between Ofsted and the sectors from which we recruit.

Supportive employment practices

Our employment practices include 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 continue to review these to ensure that they remain fit for purpose.

We continue to provide our workforce with a variety of support and information. In September, we reconfigured our health and safety team to include responsibility for employees' well-being. This increased the numbers of health and safety professionals with a specialist qualification. One achievement of the team has been the launch of a phone app for lone workers.

We are committed to ensuring that our staff have equality of opportunity. This year, we published our new equalities objectives. One of these objectives is about being an inclusive workplace and recruiting new staff through talent schemes that support individuals from diverse backgrounds.

This year, we did a comprehensive review and refresh of all workplace adjustments, assessing our practice against the Civil Service Workplace Adjustment Standards. This exercise confirmed that we continue to support disabled employees and applicants effectively.

We monitor how our policies are applied, reporting to our executive board on any adverse impact.

Although bullying, discrimination and harassment are reassuringly uncommon in Ofsted, we have a bullying, discrimination and harassment working group that consults colleagues on how we can continue to improve. The findings from this group inform communications, guidance and training.

Whistle-blowing (internal)

This year, we updated our 'Whistle-blowing and raising a concern' policy to reflect changes in legislation and ran an awareness-raising campaign for our workforce.

There has been one whistle-blowing case during the year, which was investigated and resolved appropriately with all parties.

Anti-bribery and corruption

Ofsted employees are expected to adhere to a high standard of honesty and integrity, and to ensure that their behaviour meets the standards set out in the Nolan principles.

All offers of gifts, rewards and hospitality must be reported to the individual's manager and recorded in 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.

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.

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

Ofsted recognises and works with three unions: FDA, Public and Commercial Services Union (PCS), and UNISON.

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
19	14.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1–50%	15
51–99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£93.6k
Total pay bill	£138.3m
Percentage of total pay bill spent on facility time	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	22.1%
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Several 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) and supporting notes.

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](#) 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).

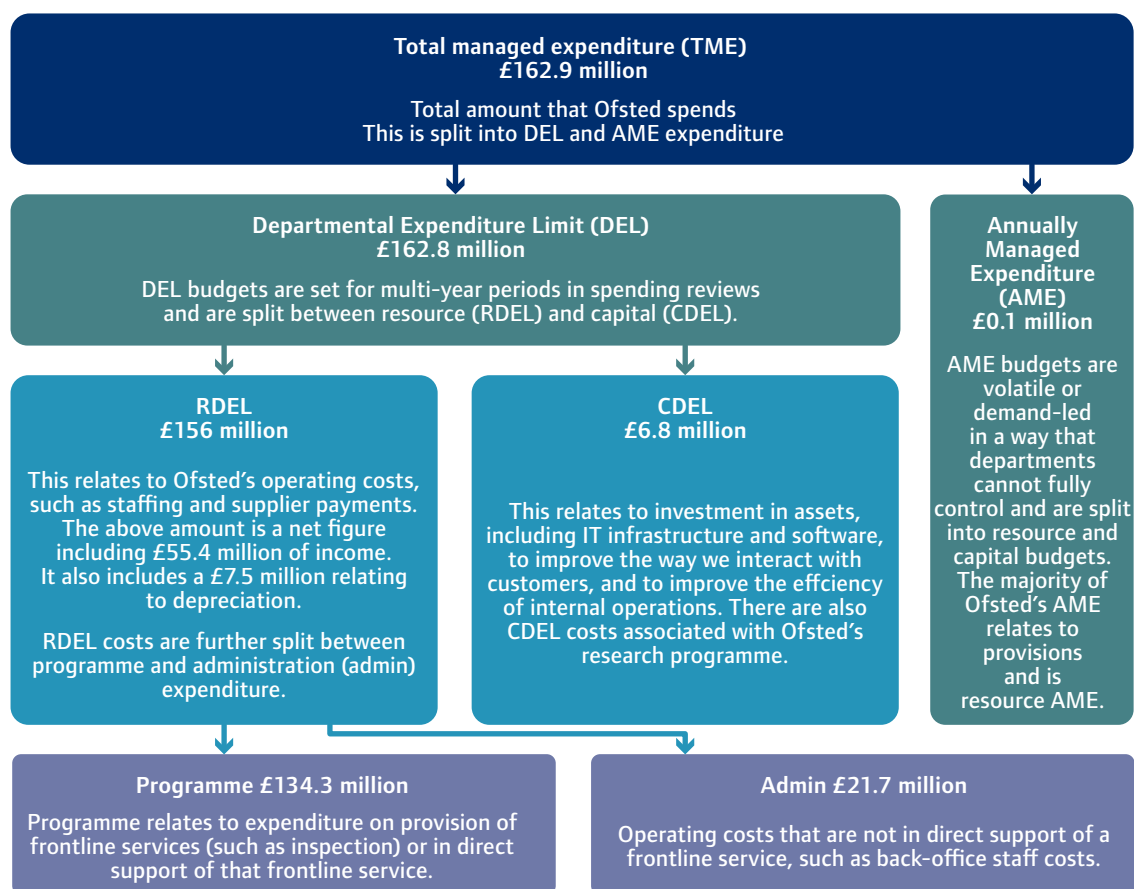
The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different from, the IFRS. Further information on the Public Spending Framework and the reasons why budgeting rules are different from IFRS can also be found in chapter 1 of the '[Consolidated budgeting guidance](#)', available on [gov.uk](#).

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.

The following diagram shows how the overall funding in the SOPS and Estimates are derived:



Our performance against the TME in the Estimate was:

	Outturn	Estimate	Variance
	£'000	£'000	£'000
Departmental expenditure limit – resource (RDEL excluding depreciation)	144,227	148,442	4,215
Departmental expenditure limit – capital (CDEL)	5,910	6,849	939
Ofsted core funding	150,137	155,291	5,154
Departmental expenditure limit – depreciation	5,617	7,535	1,918
Annually managed expenditure – resource (AME)	(161)	88	249
Total budget	155,593	162,914	7,321

Ofsted underspent by £5.2 million (3%) against its core funding (that is, our funding excluding depreciation and AME). This was a result of small underspends, mainly relating to staffing costs, across a number of business areas.

Summary tables – mirrors part 1 of the Estimates

Summary table 2022–23

		Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Prior year outturn total
		Voted	Non-voted	Total	Voted	Non-voted	Total	2022–23	2021–22
Reference		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental expenditure limit									
– Resource	SOPS 1.1	149,844	–	149,844	155,977	–	155,977	6,133	126,822
– Capital	SOPS 1.2	5,910	–	5,910	6,849	–	6,849	939	5,012
Annually managed expenditure									
– Resource	SOPS 1.1	(161)	–	(161)	88	–	88	249	104
– Capital	SOPS 1.2	–	–	–	–	–	–	–	–
Total budget		155,593	–	155,593	162,914	–	162,914	7,321	131,938
Total resource	SOPS 1.1	149,683	–	149,683	156,065	–	156,065	6,382	126,926
Total capital	SOPS 1.2	5,910	–	5,910	6,849	–	6,849	939	5,012
Total		155,593	–	155,593	162,914	–	162,914	7,321	131,938



The main reasons for the increase in expenditure compared to the prior year are explained in the Statement of Comprehensive Net Expenditure.

Net cash requirement 2022–23

		2022–23			2021–22
		Outturn total	Estimate total	Outturn vs Estimate, saving/ (excess)	Prior year outturn total
		£'000	£'000	£'000	£'000
Net cash requirement	SOPS 3	151,509	158,015	6,506	128,822

Administration costs 2022–23

		2022–23			2021–22
		Outturn total	Estimate total	Outturn vs Estimate, saving/ (excess)	Prior year outturn total
		£'000	£'000	£'000	£'000
Administration costs	SOPS 1.1	17,522	21,707	4,185	15,527

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

Notes to the Statement of Outturn against Parliamentary Supply, 2022–23

SOPS 1 – Outturn detail by Estimate line

SOPS 1.1 Analysis of resource outturn by Estimate line

	2022–23									2021–22
	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	£'000
Spending in departmental expenditure limits (DEL)										
Voted expenditure	17,522	–	17,522	169,846	(37,524)	132,322	149,844	155,977	6,133	126,822
Annually managed expenditure (AME)										
Voted expenditure	–	–	–	(161)	–	(161)	(161)	88	249	104
Total	17,522	–	17,522	169,685	(37,524)	132,161	149,683	156,065	6,382	126,926

SOPS 1.2 Analysis of net capital outturn by Estimate line

	2022–23					2021–22
	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	5,910	–	5,910	6,849	939	5,012
Total	5,910	–	5,910	6,849	939	5,012

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 2021–22
Total resource outturn	SOPS 1.1	149,683	126,926
Add:			
<i>Research costs classified as capital DEL in the SOPS under ESA 10, but treated as operating costs in the SoCNE</i>		418	1,177
<i>Income payable to the consolidated fund</i>	SOPS 4	(21)	(264)
Net operating expenditure in consolidated SoCNE	SoCNE	150,080	127,839

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	2022–23		
		Outturn	Estimate	Outturn vs Estimate, saving/ (excess)
		£'000	£'000	£'000
Resource outturn	SOPS 1.1	149,683	156,065	6,382
Capital outturn	SOPS 1.2	5,910	6,849	939
Total outturn		155,593	162,914	7,321
<i>Adjustments to remove non-cash items:</i>				
Depreciation and amortisation		(5,617)	(7,160)	(1,543)
New provisions and adjustments to previous provisions		99	(88)	(187)
Right of use asset additions		(329)	–	329
Auditor's remuneration		(94)	(63)	31
Other non-cash items		(135)	–	135
Income payable to the consolidated fund	SOPS 4	(21)	–	21
Less: movements in payables relating to items not passing through the SoCNE		48	–	(48)
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		742	–	(742)
(Increase)/decrease in payables		(2,316)	2,412	4,728
Adjustment to opening balance of receivables on transition to IFRS 16		712	–	(712)
Adjustment to opening balance of payables on transition to IFRS 16		(313)	–	313
Repayments of principal on leases		2,814	–	(2,814)
Payments of amounts due to the consolidated fund		264	–	(264)
Use of provisions		62	–	(62)
Net cash requirement		151,509	158,015	6,506

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 2022–23	Prior year outturn total, 2021–22
	Reference	£'000	£'000
Income outside of the ambit of the Estimate	4	21	264
Total amount payable to the consolidated fund		21	264

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 £0.02m CFER relating to social care income has occurred this year due to the cost of providing some services being marginally less than the statutory fee charged.

SOPS 4.2 – Consolidated fund income

	Outturn total 2022–23	Prior year outturn total 2021–22
	£'000	£'000
Income outside of the ambit of the Estimate	21	264
Amount payable to the consolidated fund	21	264
Balance held at the start of the year	264	1,694
Payments into the consolidated fund	(264)	(1,694)
Balance held on trust at the end of the year	21	264

Parliamentary accountability disclosures

Losses and special payments

Losses statement

	2022–23		2021–22	
	No. of cases	£'000	No. of cases	£'000
Fruitless payments and constructive losses	89	181	85	135
Total	89	181	85	135

There are no individual losses exceeding £0.3 million (2021–22: nil).

Special payments

	2022–23		2021–22	
	No. of cases	£'000	No. of cases	£'000
Special payments	3	172	3	37
Total	3	172	3	37

Fees and charges

	2022–23		
	Income*	Full cost	Surplus/ (deficit)
	£'000	£'000	£'000
Social care	13,960	31,259	(17,299)
Early years	5,936	43,660	(37,724)
Independent schools	1,645	8,105	(6,460)
Total	21,541	83,024	(61,483)

* Social care income includes £0.02 million payable to the consolidated fund (see SOPS 4).

	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).

Amanda Spielman

Amanda Spielman
Accounting Officer

11 July 2023

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 2023 under the Government Resources and Accounts Act 2000.

The financial statements comprise Ofsted's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- 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 2023 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 2023 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 and Regularity of Public Sector Bodies in the United Kingdom (2022)'. 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 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 the 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 is anticipated 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 and my auditor's certificate and report thereon. 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.

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 Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- 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
- I have not received all of the information and explanations I require for my audit; 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Ofsted from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; 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, I:

- considered the nature of the sector, control environment and operational performance including the design of Ofsted's accounting policies, key performance indicators and performance incentives.
- inquired of management, Ofsted's head of internal audit] and those charged with governance, including obtaining and reviewing supporting documentation relating to Ofsted's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of 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;
- inquired of management, Ofsted's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Ofsted's framework of authority and other legal and regulatory frameworks in which Ofsted operates. I focused 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 2022, employment law, pensions legislation, tax legislation and the Apprenticeships, Skills, Children and Learning Act 2009.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, we assessed whether the judgements made in making accounting estimates for revenue recognition were indicative of potential bias; sample tested the appropriateness of revenue journal entries; performed sample testing of revenue transactions; and used analytical procedures to identify any unusual transactions or movements.

I also communicated relevant identified laws and regulations and potential risks of fraud 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 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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
The Comptroller and Auditor General

Date: 12 July 2023

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.

		2022–23	2021–22
	Reference	£'000	£'000
Revenue from contracts with customers	4	(37,441)	(31,048)
Grant income	4	(83)	(34)
CFER	4	(21)	(264)
Total operating income		(37,545)	(31,346)
Staff costs	3	142,892	127,450
Purchase of goods and services	3	39,116	28,544
Depreciation and amortisation	3	5,617	3,191
Total operating expenditure		187,625	159,185
Net expenditure for the year		150,080	127,839

The £22.2 million (17%) increase in net expenditure is due to:

- returning to a full programme of routine inspection following the disruption in previous years
- new areas of inspection and regulatory work agreed with the DfE as part of the Spending Review (more information on new areas of work, such as supported accommodation, is included in the performance report)
- transferring £2.7 million of budget from 2021–22 into 2022–23 to fund the acceleration of our early years inspection programme (more information on this is included in the performance report).



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 2023	31 March 2022
	Reference	£'000	£'000
Non-current assets:			
Property, plant and equipment	5	1,125	1,213
Intangible assets	6	13,202	10,770
Right of use assets	13.1	9,535	–
Trade and other receivables	9	209	264
Total non-current assets		24,071	12,247
Current assets:			
Trade and other receivables	9	10,346	9,549
Cash and cash equivalents	7	1,735	1,444
Total current assets		12,081	10,993
Total assets		36,152	23,240
Current liabilities:			
Trade and other payables	10	(17,219)	(15,896)
Contract liabilities	10	(9,311)	(8,318)
Provisions	11	(48)	(80)
Lease liabilities	13.2	(2,627)	–
Total current liabilities		(29,205)	(24,294)
Total assets less net current liabilities		6,947	(1,054)
Non-current liabilities:			
Provisions	10	(1,025)	(1,154)
Lease liabilities	13.2	(7,461)	–
Total non-current liabilities		(8,486)	(1,154)
Total assets less total liabilities		(1,539)	(2,208)
Taxpayers' equity and other reserves			
Total reserves		(1,539)	(2,208)
Total equity		(1,539)	(2,208)

Amanda Spielman

Amanda Spielman
Accounting Officer

11 July 2023

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.

		2022–23	2021–22
	Reference	£'000	£'000
Cash flows from operating activities			
Net operating cost		(150,080)	(127,839)
Adjustment for non-cash transactions		5,747	3,418
(Increase)/decrease in trade and other receivables		(742)	(1,701)
Increase/(decrease) in trade payables		2,316	4,245
Adjustment to opening balance of receivables on transition to IFRS 16		(712)	–
Adjustment to opening balance of payables on transition to IFRS 16		313	–
(Increase)/decrease in departmental balances with the consolidated fund		(48)	(1,369)
Use of provisions	11	(62)	(47)
Net cash outflow from operating activities		(143,268)	(123,293)
Cash flows from investing activities			
Purchase of non-financial assets	5 and 6	(5,163)	(3,835)
Net cash outflow from investing activities		(5,163)	(3,835)
Cash flows from financing activities			
From the consolidated fund (supply) – current year		151,800	129,927
Repayments of principal on leases	13.4	(2,814)	–
Net financing		148,986	129,927
Net increase/(decrease) in cash and cash equivalents in the period before adjustments for receipts and payments to the consolidated fund		555	2,799
Payments of amounts due to the consolidated fund		(264)	(1,694)
Net increase/(decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the consolidated fund		291	1,105
Cash and cash equivalents at the beginning of the period	7	1,444	339
Cash and cash equivalents at the end of the period	7	1,735	1,444

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 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)
Net Parliamentary funding		151,509
Comprehensive net expenditure for the year	SoCNE	(150,080)
Auditor's remuneration	3	94
IFRS 16 opening balance adjustment		(833)
CFERS payable to the consolidated fund	4	(21)
Balance at 31 March 2023		(1,539)



Notes to the Ofsted resource accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2022–23 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 on a going-concern basis under the historical cost convention (the practice of recording the original cost of an asset as its cost on a balance sheet).

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 is reconciled in SOPS 2. Further details are available in HM Treasury's 'Consolidated budgeting guidance': www.gov.uk/government/publications/consolidated-budgeting-guidance-2022-to-2023.

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 our 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.

1.7 Leases

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

Scope and exclusions

In accordance with IFRS 16 Leases, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time, in exchange for consideration, are accounted for as leases. The standard removes the distinction between operating and finance leases for lessees and requires right of use assets and associated lease liabilities to be recognised in the Statement of Financial Position (SoFP).

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

When making the above assessments, Ofsted excludes two types of leases: first, those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new; and second, contracts whose term (comprising the non-cancellable period together with any extension options we are reasonably certain to exercise and any termination options we are reasonably certain not to exercise) is less than 12 months.

Initial recognition

At the start of a lease, a right of use asset and a lease liability are recognised. The lease liability is measured at the value of the remaining lease payments discounted either by the interest rate implicit in the lease or, where this is not readily determinable, the incremental rate of borrowing. The incremental borrowing rate is advised annually by HM Treasury and Ofsted has used it in the calculation of all lease liabilities. The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 0.95%.

Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period, together with any extension options that the department is reasonably certain to exercise and any termination options the department is reasonably certain not to exercise.

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with IFRS interpretation committee (IFRIC) 21 Levies. The right of use asset is measured at the value of the lease liability, adjusted for: any lease payments made before the start date; any lease incentives received; any incremental costs of obtaining the lease; and any costs of removing the asset and restoring the site at the end of the lease.

Enhancements to leased assets, such as alterations to a leased building, are not classified within right of use assets but are classified as property, plant and equipment in accordance with the FReM.

Transitional arrangements

We have applied a number of options and practical expedients on initial adoption of IFRS 16, these principally being mandated by the FReM.

IFRS 16 has been adopted retrospectively using the 'cumulative catch-up' approach, without restatement of comparative balances. Consequently, the comparator figures for 2021–22 have been prepared in accordance with the previous standard, IAS 17 Leases.

There has been no reassessment of existing contracts that Ofsted had previously assessed as containing or not containing a lease. However, new contracts will be classified according to the criteria given in IFRS 16.

For leases previously treated as operating leases, the right of use assets have been measured at the present value of the remaining lease payments, adjusted for any prepayment or accrual balances in respect of the lease payments. Ofsted has used hindsight in determining the remaining term of leases and no adjustment has been made for leases whose term ends within 12 months of the date of first adoption.

Ofsted had no leases that were previously recognised as finance leases, nor do we have any sublease arrangements relating to right of use assets.

Disclosure requirements for leases are included in note 13. This includes reconciliation between operating lease commitments as at 31 March 2022, to the lease liabilities as at 1 April 2022 following adoption of IFRS 16.

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 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 do we 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 do we 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 our own staff. Senior managers accountable for developing 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 our performance. Ofsted has six reportable segments:

- inspection and regulatory delivery
- inspection and regulatory policy
- strategy, insights and research
- corporate services
- revenue from contracts with customers
- 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 FReM, 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 2022–23 or following the year end, including COVID-19, which may affect this status. Ofsted’s budget has been agreed with HM Treasury through the Spending Review 2021 process (which covers years 2022–23 to 2024–25). 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 17 Insurance contracts

This standard is expected to replace IFRS 4. The scope of the standard covers insurance contracts issued and reinsurance contracts issued or held. HM Treasury is consulting on the public sector interpretation of this Standard. It expects implementation to be from 2025–26.

Ofsted does not have any insurance contracts we recognise under IFRS 4 and we do not expect to under IFRS 17. We will carry out review work before the effective date to provide assurance that this is still the case.

2. Statement of operating costs by operating segments

	2022-23						
	Inspection and regulatory delivery	Inspection and regulatory policy	Strategy, insights and research	Corporate services	Revenue from contracts with customers	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	121,693	15,904	12,681	34,745	–	2,602	187,625
Income	–	–	–	–	(37,462)	(83)	(37,545)
Net expenditure	121,693	15,904	12,681	34,745	(37,462)	2,519	150,080

	2021-22						
	Inspection and regulatory delivery	Inspection and regulatory policy	Strategy, insights and research	Corporate services	Revenue from contracts with customers	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	98,046	11,904	10,793	33,965	–	4,476	159,185
Income	–	–	–	–	(31,298)	(48)	(31,346)
Net expenditure	98,046	11,904	10,793	33,965	(31,298)	4,429	127,839

Note that the operating segments in this note have changed since last year to ensure that the reportable segments align with our structure and our internal reporting. Both years have been changed to enable comparison.

The main reasons for the increase in expenditure compared with last year are explained in the Statement of Comprehensive Net Expenditure.

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 mapped to each operating segment in line with the reporting requirements of IFRS 8 'Operating segments'.

Description of segments

Inspection and regulatory delivery

The costs of inspection and regulatory delivery and management, and the cost of direct supporting functions such as inspection support and planning, regulatory support and complaints.

Inspection and regulatory policy

Development of inspection and regulatory policy and frameworks.

Strategy, insights and research

The costs of this segment include: corporate strategy; private office; research and evaluation; and communications.

Corporate services

The costs of this segment include: digital and IT; finance; property, commercial; HR and legal.

Revenue from contracts with customers

Fees and charges arising from inspection and regulation activity.

Other

This includes depreciation and movements in provisions.



3. Expenditure

		2022–23	2021–22
	Reference	£'000	£'000
Staff costs:			
Wages and salaries		103,004	92,988
Social security costs		11,990	9,971
Apprentice levy		488	431
Pension costs		27,043	23,587
Exit costs		367	473
Goods and services:			
Contracted inspection costs		16,756	7,462
Digital and IT costs		7,263	7,847
Other contracted professional services		791	569
Estates costs including rent, rates, facility management and security		1,258	4,863
Travel and subsistence costs		7,558	4,261
Legal costs		204	245
Recruitment, training and staff-related costs		2,535	1,221
Stationery, printing, postage and office equipment		612	429
Equipment purchases (non-capital)		1,749	883
Other expenditure		206	470
Non-cash items:			
Increase/decrease in provisions	11	(99)	151
Depreciation	5	303	386
Amortisation	6	2,516	2,805
Depreciation on right of use assets	13.1	2,798	–
Interest charges on right of use assets		135	–
Auditor's remuneration and expenses		94	76
Training – Apprentice Levy		58	34
Other non-cash costs		(4)	33
Total		187,625	159,185

The main reasons for the increase in expenditure compared with last year are explained in the Statement of Comprehensive Net Expenditure.

4. Income

4.1. Revenue from contracts with customers and other operating income

	2022–23	2021–22
	£'000	£'000
Social care (registration and annual fees)	13,941	12,419
Early years (registration and annual fees)	5,934	6,166
Independent schools	1,646	1,826
DfE income	14,034	9,164
Other government department/other income	1,886	1,459
Sub-total revenue from contracts with customers	37,441	31,034
Grant income – apprentice levy (non-cash)	58	34
Grant income – DWP kickstart scheme	25	14
Other operating income	83	48
Total income within the ambit	37,524	31,082
CFER	21	264
Total payable to the consolidated fund	21	264
Total income	37,545	31,346

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 £9,436 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	<p>All independent schools are inspected at the direction of the DfE, which is the registration authority for independent schools.</p> <p>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.</p>
Customer details	<p>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).</p>
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	<p>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.</p> <p>A fixed fee of £2,500 is payable for pre-registration inspections.</p> <p>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.</p>
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	<p>Charges for specific pieces of inspection activity, the largest components are:</p> <ul style="list-style-type: none"> – inspection of newly funded apprenticeship training providers: £5.4m – inspecting area SEND arrangements and developing a new framework: £2.6m – inspection of ITE: £1.6m – inspection of education and training in prisons: £1.4m
Customer details	Government departments, including the DfE, Ministry of Justice (MoJ) and 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	<p>These vary between each contract, but the most significant ones are:</p> <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.

	2022–23		
	Information technology	Furniture and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2022	2,568	2,262	4,830
Additions	165	50	215
Disposals	–	–	–
Impairments	–	–	–
At 31 March 2023	2,733	2,312	5,045
Depreciation			
At 1 April 2022	2,463	1,154	3,617
Charged in year	46	257	303
Disposals	–	–	–
Impairments	–	–	–
At 31 March 2023	2,509	1,411	3,920
Carrying amount at 31 March 2023	224	901	1,125
Carrying amount at 1 April 2022	105	1,108	1,213
Asset financing			
Owned	224	901	1,125
Carrying amount at 31 March 2023	224	901	1,125

	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
Carrying amount at 31 March 2022	105	1,108	1,213



6. Intangible assets

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

	2022-23		
	Software	Development expenditure	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2022	22,671	3,063	25,734
Additions	105	4,843	4,948
Disposals	–	–	–
Reclassifications and transfers	–	–	–
At 31 March 2023	22,776	7,906	30,682
Amortisation			
At 1 April 2022	14,964	–	14,964
Charged in year	2,516	–	2,516
Disposals	–	–	–
At 31 March 2023	17,480	–	17,480
Carrying amount at 31 March 2023	5,296	7,906	13,202
Carrying amount at 1 April 2022	7,707	3,063	10,770
Asset financing			
Owned	5,296	7,906	13,202
Carrying amount at 31 March 2023	5,296	7,906	13,202

The £7.9 million carrying balance in development expenditure mainly relates to a multi-year project to modernise our digital and technology services and the way we manage the data we hold about those we inspect and regulate. It also includes the costs of digital systems to enable us to begin regulating supported accommodation for 16- and 17-year-old care leavers from April 2023 (more information about our digital development work is included in the performance report). We plan for some of these services to be operating in 2023–24.

	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
Carrying amount at 31 March 2022	7,707	3,063	10,770

7. Cash and cash equivalents

	2022–23	2021–22
	£'000	£'000
Balance at 1 April	1,444	339
Net changes in cash and cash-equivalent balances	291	1,105
Balance	1,735	1,444

All balances at 31 March were held at the Government Banking Service.

8. 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.

9. Trade receivables, financial and other assets

	2022-23	2021-22
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	6,239	6,761
Deposits and advances	144	110
Other receivables	159	83
Pre-payments	1,102	1,712
Accrued income	2,494	731
VAT	208	152
	10,346	9,549
Amounts falling due after more than one year:		
Trade receivables	–	–
Deposits and advances	124	126
Pre-payments	85	138
	209	264
Total trade receivables	10,555	9,813

10. Trade payables and other current liabilities

	2022-23	2021-22
	£'000	£'000
Amounts falling due within one year:		
Trade payables	304	256
Other payables	3,406	2,858
Other taxation and social security	3,288	3,238
Accruals	8,200	7,617
Contract liabilities	9,311	8,318
Deferred income	265	219
Amounts issued from the consolidated fund supply but not spent at year end	1,735	1,444
CFER payable to the consolidated fund	21	264
	26,530	24,214
Amounts falling due after more than one year:		
Payables, accruals and deferred income	–	–
Total trade payables	26,530	24,214

11. Provisions for liabilities and charges

	Property dilapidation	Injury benefits	Other	Total	2021–22
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	510	708	16	1,234	1,130
Provided in the year	–	–	–	–	151
Provisions not required written back	–	–	(2)	(2)	–
Provisions used in the year	–	(48)	(14)	(62)	(47)
Changes in discount rate	(44)	(53)	–	(97)	–
Balance at 31 March 2023	466	607	–	1,073	1,234

Analysis of expected timing of discounted flows

	Property dilapidation	Injury benefits	Other	Total
	£'000	£'000	£'000	£'000
Not later than one year	–	48	–	48
Later than one year and not later than five years	427	194	–	621
Later than five years	39	365	–	404
Balance at 31 March 2023	466	607	–	1,073

11.1. Property dilapidation

Ofsted leases all of the property we use. 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.

11.2. 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.

11.3. Other

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

12. 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.

13. Leases

As explained in Note 1.7, Ofsted adopted IFRS 16 Leases from 1 April 2022, as required by the FReM. We have implemented it using the cumulative catch-up method, without restatement of prior-year figures. The majority of leases treated as operating leases until 31 March 2022 have now been recognised in the SoFP as right-of-use assets and lease liabilities. As a result, at 1 April 2022, we recognised an additional £12.0 million of right-of-use assets and £13.1 million of lease liabilities.

Our lease contracts relate to leases of buildings, which have remaining lease terms of between two and 13 years. We have applied the recognition exemption for short-term leases.

13.1. Quantitative disclosures around right-of-use assets

The carrying amounts of right-of-use assets and the movements during the year.

	2022–23	2021–22
	Buildings	Buildings
	£'000	£'000
Right-of-use assets		
At 1 April 2022	12,004	–
Additions	329	–
Depreciation expense	(2,798)	–
At 31 March 2023	9,535	–

13.2. Quantitative disclosures around lease liabilities

The carrying amounts of lease liabilities and the movements during the year.

	2022–23	2021–22
	Buildings	Buildings
	£'000	£'000
Lease liabilities		
At 1 April 2022	12,438	–
Additions	329	–
Accretion of interest	135	–
Repayments of principle on leases	(2,814)	–
At 31 March 2023	10,088	–

We have provided in section 13.5 a reconciliation between operating lease commitments as at 31 March 2022 to the lease liabilities as at 1 April 2022, following adoption of IFRS 16.

Maturity analysis of lease liabilities recognised in the SoFP

	2022-23	2021-22
	£'000	£'000
Buildings		
Not later than one year	2,744	–
Later than one year and not later than five years	6,776	–
Later than five years	889	–
Lease obligations	10,409	–
Less interest element	(321)	–
Total present value of obligations	10,088	–
Current portion	2,627	–
Non-current portion	7,461	–

13.3. Quantitative disclosures around elements in the SoCNE

The following amounts have been recognised as an expense in the SoCNE during the year.

	2022-23	2021-22
	£'000	£'000
Buildings		
Depreciation expense	2,798	–
Interest expense on lease liabilities	135	–
Expense related to short-term leases	59	–
Total	2,992	–

13.4. Quantitative disclosures around cash outflow for leases

The following amounts have been recognised in the statement of cash flows during the year.

	2022-23	2021-22
	£'000	£'000
Repayments of principal on leases	2,814	–

13.5. Reconciliation from IAS 17 to IFRS 16

This table reconciles Ofsted's operating lease commitments as at 31 March 2022 to the lease liabilities as at 1 April 2022 immediately following adoption of IFRS 16.

The material reconciling items are: an adjustment for the impact of discounting future cash flows; an adjustment for VAT, which is included in IAS 17 but not in IFRS 16; and the net impact of lease elements that differ between the two standards (for example, the inclusion of business rates costs in IFRS 16).

	2022-23
	£'000
Closing operating leases disclosed at 31 March 2022	14,018
Adjustments from IAS 17 to IFRS 16:	
Impact of discounting	(442)
Less non-recoverable VAT	(603)
Less leases to be treated as short term on initial adoption of IFRS 16	(209)
Less non-IFRS 16 lease elements included in IAS 17	(224)
Less IFRS 16 lease elements pre-paid in 2021-22	(704)
Add IFRS 16 lease elements not included in IAS 17	853
Adjustments for changes in cost assumptions	(251)
Total	12,438

14. Capital and other commitments

14.1. Capital commitments

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

14.2. 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.

	2022-23	2021-22
	£'000	£'000
Not later than one year	42	400
Later than one year and not later than five years	–	–
Later than five years	–	–
Total	42	400

15. Related-party transactions

15.1. 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
- DfE
- ESFA
- HM Revenue and Customs
- HM Treasury.

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

15.2. 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.

16. 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.



Appendix A: Core expenditure tables

Table 1 – Total departmental spending, 2018–19 to 2024–25

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
Resource DEL							
Administration and Inspection	125,383	130,782	116,343	126,822	149,844	155,778	139,650
Total Resource DEL	125,383	130,782	116,343	126,822	149,844	155,778	139,650
<i>Of which:</i>							
Staff costs	108,005	116,166	124,407	127,450	142,892	191,663	129,056
Purchase of goods and services	33,589	36,080	12,065	24,632	38,420	16,859	–
Income from sales of goods and services	(21,516)	(27,262)	(26,485)	(31,082)	(37,524)	(62,022)	–
Rentals	2,354	2,398	2,472	2,555	345	–	–
Depreciation 1	2,883	3,331	3,815	3,191	5,617	9,215	10,594
Other resource	68	69	69	76	94	63	–
Resource AME							
Activities to support all functions	(717)	(286)	(111)	104	(161)	(18)	–
Total Resource AME	(717)	(286)	(111)	104	(161)	(18)	–
<i>Of which:</i>							
Take up of provisions	305	12	4	151	(99)	–	–
Release of provision	(1,022)	(298)	(115)	(47)	(62)	(18)	–
Total Resource Budget	124,666	130,496	116,232	126,926	149,683	155,760	139,650
<i>Of which:</i>							
Capital DEL							
Administration and Inspection	6,098	3,826	3,284	5,012	5,910	4,200	53,233
Total Capital DEL	6,098	3,826	3,284	5,012	5,910	4,200	53,233
<i>Of which:</i>							
Purchase of assets	4,040	2,065	2,309	3,835	5,163	4,200	3,500
Right of use assets (IFRS 16)	–	–	–	–	329	–	49,733
Research costs (ESA 10)	2,058	1,761	975	1,177	418	–	–
Total Capital Budget	6,098	3,826	3,284	5,012	5,910	4,200	53,233
Total departmental spending 2	127,881	130,991	115,701	128,747	149,976	150,745	182,289
<i>Of which:</i>							
Total DEL	128,598	131,277	115,812	128,643	150,137	150,763	182,289
Total AME	(717)	(286)	(111)	104	(161)	(18)	–

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 that meet specific criteria to be classified as Capital DEL.

The reduction in net expenditure in 2020–21 is mainly as a consequence of the COVID-19 pandemic. Ofsted continued to carry out regulatory activity and essential demand-led inspections, but routine inspection was paused. This led to a significant reduction in variable costs, such as travel or use of contracted inspectors to inspect.

In 2021–22, net expenditure increased but was significantly less than the available DEL funding for the year. This was because we did not return to a full programme of routine school and further education and skills inspections until later in the year.

The increase between the 2021–22 and 2022–23 is mainly due to additional temporary funding for new and increased levels of inspection from the DfE, agreed as part of the Spending Review. Ofsted also returned to a full programme of inspections across all remits for the full year in 2022–23.

Resource DEL funding for 2024–25 does not yet include the Spending Review funding for new and increased levels of inspection. This will be transferred to Ofsted at the start of the year.

Capital DEL funding for 2024–25 is significantly greater than prior years due to the impact of IFRS 16 (see section 1.7 in the notes to the accounts). We expect to enter into a new long-term property lease in the year and are required to account for the asset value as capital DEL in the SOPS.

Table 2 – Administration budget, 2018–19 to 2024–25

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
Resource DEL							
Administration and Inspection	14,624	15,811	15,576	15,527	17,522	21,758	21,809
Total administration budget	14,624	15,811	15,576	15,527	17,522	21,758	21,809
<i>Of which:</i>							
Staff costs	11,135	12,031	12,049	12,123	14,433	21,695	21,809
Purchase of goods and services	2,929	3,125	2,835	2,801	2,453	–	–
Rentals	321	353	407	375	34	–	–
Depreciation	171	233	217	152	508	–	–
Other resource	68	69	68	76	94	63	–

Appendix B: Whistle-blowing disclosures report (social care) – from 1 April 2022 to 31 March 2023

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 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 the children’s social care services and in relation to 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 matters⁶²

The children’s social care services that the disclosure related to	Number of disclosures received ⁶³
Adoption support agencies	Fewer than 5
Cafcass	0
Children’s homes	238
Independent fostering agencies	16
Local authority children’s services ⁶⁴	
(this includes disclosures about trusts that deliver services on behalf of local authorities)	62
Residential family centres	Fewer than 5
Residential holiday schemes for disabled children	0
Welfare of children provided with accommodation by boarding schools and further education colleges	Fewer than 5
Welfare of children provided with accommodation by residential special schools	5
Voluntary adoption agencies	0

62. To be covered by the whistle-blowing law, the disclosure must be a ‘qualifying disclosure’. This is any disclosure of information which, 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 health or safety of any individual; damage to the environment; or the deliberate covering up of wrongdoing in these categories.

63. 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 holistically.

64. 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 (It is possible a disclosure received resulted in more than one type of action)	Number of disclosures received
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.	36
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.	140
Carried out a monitoring visit (this action applies only to services that Ofsted regulates) if we considered 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 whistle-blowing disclosure informed this work.	73
The information received informed compliance and enforcement action. ⁶⁵	24
Reviewed the timing of the next inspection/visit and brought forward if appropriate.	55
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.	115
Passed the information to another organisation as it was not for Ofsted to take action.	5
Our review of the information received is ongoing. ⁶⁶	17
Other action taken not included in other categories above.	24

65. 'Social care enforcement policy', Ofsted, October 2014;

<https://www.gov.uk/government/publications/social-care-compliance-handbook-from-september-2014>.

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

Figure 3: A summary of the overall categories under which the whistle-blowing disclosures were classified

Category	Number of disclosures received ⁶⁷
Concerns that a specific child or children may be at risk of harm.	83
Concerns that there are wider or systemic failures in safeguarding practice.	58
Concerns that children are not receiving the right quality of care but that do not suggest a risk to their safety.	92
Concerns that a social care service is not meeting regulatory requirements.	59
Concerns about the quality of leadership and management. ⁶⁸	28
Concerns relating to workforce, including recruitment, training, qualifications, experience. ⁶⁹	4
Our review of the information received is ongoing. ⁷⁰	4

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.

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

68. This category is in relation to disclosures received about local authority children's services.

69. As above.

70. 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 matches 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 2021	% in 2022	% in 2023
16 to 29	9	7	10
30 to 39	22	22	21
40 to 49	29	31	31
50 to 59	31	31	30
60 to 64	7	7	7
65+	2	2	1

Disability profile of employees

	% in 2021	% in 2022	% in 2023
Disabled	8	8	8
Not disabled	83	83	84
Unknown/undeclared	10	9	8

Ethnicity profile of employees

	% in 2021	% in 2022	% in 2023
White	85	85	83
Ethnic minority	11	10	11
Unknown/undeclared	4	4	6

Faith profile of employees

	% in 2021	% in 2022	% in 2023
Religious	52	51	50
No religious belief	37	39	40
Unknown/undeclared	11	10	9

Sex profile of employees

	% in 2021	% in 2022	% in 2023
Male	33	32	32
Female	67	68	68

Sexual orientation of employees

	% in 2021	% in 2022	% in 2023
Heterosexual	80	82	83
LGB/other	7	7	7
Unknown/undeclared	12	11	10

Notes

1. Data is as at 31 March 2023.
2. Directly employed Ofsted staff only.
3. Percentages are rounded and may not add to 100.
4. Percentages calculated with fewer 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

Greenhouse gas emissions		2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Non-financial indicators (tonnes CO ₂ e)	Total gross scope 2 (energy indirect) emissions	520	376	367	271	286	271
	Total gross scope 3 (official business travel) emissions	1,741	1,632	1,381	232	1,009	1,323
Total emissions – scope 2 and 3		2,261	2,008	1,748	503	1,295	1,594
Related energy consumption (kWh)	Electricity: Non-renewable	1,121,694	1,028,073	984,264	760,889	801,876	863,333
	Gas	680,837	460,481	628,043	506,578	629,632	575,835
Total energy consumption		1,802,531	1,488,554	1,612,307	1,267,467	1,431,508	1,439,168
Financial indicators (£'000)	Expenditure on energy	163	148	160	136	154	168
	Expenditure on official business travel	6,170	5,728	4,826	489	3,438	5,925
	Expenditure on air travel	25	22	25	1	8	14
Total expenditure on energy and business travel (£'000)		6,358	5,898	5,011	626	3,600	6,107

Data on emissions and consumption in the above table has had to be estimated for any offices where information is unavailable 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. Some energy costs are included in the overall service charge paid to landlords, so energy usage is not always broken down to the level required for reporting.

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

Previous years' data has been revised from last year's publication to incorporate any corrections, adjustments and to reflect the increased Greening Governing Commitments (GGC) reporting scope. For this reason, tables and performance may appear differently to previous year's reports.

Business travel

Business travel		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Non-financial indicators (tonnes CO ₂ e)	Flights	28	29	35	1	5	10
	Rail	326	251	252	3	72	176
	Car	958	936	827	209	665	835
	Hotel	429	417	266	19	266	303
Total emissions		1,741	1,633	1,380	232	1,008	1,324

Waste

Waste			2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill	8	8	4	–	13	2
		Total ICT waste recycled, reused and recovered (externally)	1	4	3	–	7	–
		Reused/ recycled	45	63	86	19	17	16
	Incinerated/energy from waste		7	9	8	5	11	6
Total waste			61	84	101	24	48	24
Financial indicators (£'000)	Waste costs		3	3	5	3	3	3

Water consumption

Water consumption		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Non-financial indicators (m ³)	Water consumption (office estate)	5,022	4,747	5,847	1,509	2,535	2,964
Financial indicators (£'000)	Water supply and sewage costs	13	12	15	4	7	8

Other

Other target areas		2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Non-financial indicators	Emissions from domestic flights	21	21	22	1	3	9
	Emissions from international travel	7	8	13	–	2	1
	Paper use (reams)	4,105	5,251	4,868	2,648	3,126	3,866

Appendix E: Annual statement for the ‘Concordat to support research integrity within government’

Introduction

The Government Analysis Function (GAF) has signed up to the [‘Concordat to support research integrity’](#) to ensure the highest standards of rigour and integrity in all aspects of research across government. The ‘Concordat’ requires employers of researchers to give an annual statement. This statement must outline the actions and activities the employer has taken to support and strengthen the understanding and application of research integrity considerations.

At Ofsted, we are committed to providing high-quality and ethical research, and to having appropriate and effective policies, training and support in place for staff to meet these standards. Research and evidence are central to our work. Being evidence-led is one of our core values, and making the most of our insights is one of the eight strategic priorities in [our strategy](#). Our policies, frameworks, judgements and insights are also rooted in evidence.

We evaluate our frameworks and methodologies to make sure they are being implemented as intended and having the outcomes we expect. We share insights about education and children’s social care through our research and analysis. Our aim is to benefit the sectors we inspect and regulate, as well as wider professional and academic communities.

In this annual statement, we summarise how we currently support a culture of research integrity, underpinned by good governance and support for our staff. In 2023–24, we will further review our policies and procedures to make sure research integrity is embedded and implemented effectively.

Research governance

Alex Jones, Director, Insights and Research, is our departmental director of analysis and accountable to the Head of the GAF for our analytical work. Jason Bradbury, Deputy Director, Data and Insight, is our chief statistician and head of profession for statistics. Elizabeth Wright, Deputy Director, Research and Analysis, is our head of profession for social research.

The Research and Analysis Board (RAB) is responsible, as delegated by HMCI and our Executive Board, for making sure research and analysis are carried out in line with our strategic priorities and are delivered to a high standard. The RAB has a clear oversight of complex and high-impact research work and tracks progress of lower complexity work. The RAB dashboard contains a central record of our research and analysis.

We adhere to the six principles in the Government Social Research Profession’s [ethical assurance for social and behavioural research guidance](#). We put these into practice through our Research Ethics Committee, which includes external ethics experts as well as internal colleagues. We also have our own [ethical research policy](#), which makes sure that all research and analysis we carry out (or that is carried out on our behalf) is done so in a way that protects all those doing the research as well as those taking part in it. The welfare and safety of children and young people are at the core of our policy. If we have any concerns, we follow our [safeguarding policy](#).

Our data protection team checks compliance with data protection requirements for each research project. The Research Ethics Committee then further scrutinises this. We do research in order to help us to carry out our functions, and therefore we always consider the legal basis for it. Our Legal team checks this for each project, followed by further checking at the RAB meetings.

When we need to commission analytical products and services, we procure and manage them in accordance with [GovS 008: Commercial](#) in a proportionate way.

We regularly review our governance systems and protocols to make sure they are fit for purpose and provide appropriate scrutiny. The great majority of our research and analysis is fully compliant with the principles and requirements set out above. Over the coming year, we will continue to raise the profile and understanding of the requirements across all areas of Ofsted, strengthening professional dialogue and giving advice and assistance where appropriate.

Professional standards for analysts

Ofsted is accountable for adhering to the [GovS 010: Analysis](#) standard. We are a member of the Government Statistical Service (GSS) and the Government Statistician Group (GSG), and an associate member of the Government Social Research (GSR) community.

Researchers and analysts at Ofsted follow GAF codes and principles, such as the [GSR code – People](#) on performing the role with integrity. This code includes: giving appropriate methodological and impartial evidence-based advice; challenging where appropriate; and making the best use of available resources. The principles included in that code, and also the [GSR code – Products](#), are interwoven throughout our research processes, for example through our ethics process.

We have a strong in-house training offer, which includes project management, general skills (for example, on giving presentations, managing upwards and time management) and research skills. Researchers have access to mentoring within the Insights and Research directorate, as well as internal Ofsted mentoring and cross-Civil-Service mentoring (including specific schemes for equality, diversity and inclusion groups). Researchers and analysts who are members of the GAF also have access to approved training courses through their membership.

We support staff to do professional development in accordance with their profession's requirements. We strongly encourage our analytical staff to badge under the GAF. We support this by providing: training; time to prepare for interviews and assessments; help for those applying to be badged; and appropriate mentors.

As of February 2023, we had the following analytical staff badged under the GAF professions:

- Government Social Research – 14 members
- Government Statistician Group – 27 members
- Government Operational Research Service – 1 member.

We also have a Quality Champions network. This aims to give staff and wider teams the knowledge-sharing skills and resources they need to drive high standards of quality in our research and analytical products.

Open science and research protocols

Our research and analysis outputs take many forms, such as reports and publications, and computer code and data, including linked data assets. Research analysis plans are pre-determined as a part of our internal research and analysis governance described above.

We will investigate how we can 'preregister' our research outputs. The Centre for Open Science defines preregistration as 'specifying your research plan in advance of undertaking the work and submitting it to a registry'. We will explore how we can use preregistration to publish our research plans before doing primary analysis, or to evidence these plans retrospectively with any analytical code alongside the results. This is not currently standard practice.

Publishing research

We follow the majority of the principles set out in '[Government Social Research: publication protocol](#)'. In 2023–24, we will try to strengthen our practice wherever possible in following these.

There is an extensive, documented in-house review and sign-off procedure for all the research outputs we publish. We have also introduced an external, academic peer-review process for additional quality assurance for some of our reports.

All published outputs are copy-edited, proofread and produced in line with our accessibility guidelines and house style.

All projects have dissemination plans to promote engagement and reach with the intended audience. We develop each plan with communications and policy colleagues and stakeholders. They include different forms of communication, such as reports, seminars and press launches.

External engagement relating to research integrity

To engage externally on research integrity, we use established routes through the cross-government analysis function, including the Government Social Research Profession and Government Statistical Service. We also use our international relationships with other inspectorates and the Standing International Conference of Inspectorates to share information and good practice on research integrity.

Many of our projects have advisory panels. Panels include external stakeholders, partners and academics. They offer additional quality assurance and advice in relation to our research methods, practice and dissemination. We also develop research plans with internal consultation groups to reach our target audience.

Research misconduct

Currently, processes in relation to research misconduct come under our wider policies for professional standards, disciplinary action and counter fraud and corruption guidelines.

Our professional standards policy refers to the [Civil Service Code](#) and core values of integrity, honesty, objectivity and impartiality. It also refers to our conflict of interest and [whistle-blowing](#) policies. The conflict of interest policy sets out expectations and processes for managing conflicts. The whistle-blowing policy has clear guidance and processes for raising concerns with the HR Casework and Advice team, and is a framework for all staff to report any instances of misconduct.

Our disciplinary policy has clear processes for dealing with misconduct. Currently, we would expect cases of research misconduct to be considered under its formal (and, where relevant, informal) processes. However, we are considering introducing a specific policy relating to research misconduct.

