



Annual Report
& Accounts
2019-2020



The purpose of Estyn is to inspect quality and standards in education and training in Wales. Estyn is responsible for inspecting:

- ▲ nursery schools and settings that are maintained by, or receive funding from, local authorities
- ▲ primary schools
- ▲ secondary schools
- ▲ special schools
- ▲ pupil referral units
- ▲ all-age schools
- ▲ independent schools
- ▲ further education
- ▲ independent specialist colleges
- ▲ adult community learning
- ▲ local authority education services for children and young people
- ▲ teacher education and training
- ▲ Welsh for adults
- ▲ work-based learning
- ▲ learning in the justice sector

Estyn also:

- ▲ provides advice on quality and standards in education and training in Wales to the National Assembly for Wales and others
- ▲ makes public good practice based on inspection evidence

Every possible care has been taken to ensure that the information in this document is accurate at the time of going to press. Any enquiries or comments regarding this document/publication should be addressed to:

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This document has been translated by Trosol (English to Welsh).

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Chief Inspector's foreword



The last few weeks of the 2019-2020 financial year brought challenges to education and training in Wales the like of which we have not seen before. Along with many others, we had to re-think our priorities quickly as part of a national response to the COVID-19 outbreak, and this had a significant impact on our work and halted some of our planned activities.

Since our decision on 16 March to suspend inspections and other visits, we have been focusing on supporting continuity of learning for children and young people, and ensuring their wellbeing. We have shared our expertise and developed advice and guidance for different education sectors to help them in continuing with their role during this time.

Yet prior to this last period, we had successfully completed our statutory duties as in previous years, and reported independently and honestly on the standards of education and training in Wales through our usual inspection work across all the sectors we inspect.

Some developments to note during the 2019-2020 financial year include piloting a new approach to inspecting self-evaluation. From September 2019, instead of requesting the self-evaluation report prior to inspection, we used professional discussion with the headteacher and nominee around the school's improvement journey. We have also been supporting the Welsh Government on a project to develop a 'National Evaluation and Improvement Resource' for schools. We introduced more flexibility when monitoring schools in follow-up too, and have contributed to the Welsh Government's new multi-agency improvement boards for supporting schools causing concern.

During this year, we continued to support improvement in education and training by sharing examples of interesting and innovative practice that we have identified through inspection. In October 2019, we held our Annual Awards Evening and celebrated the success of 44 providers judged during the 2018-2019 academic year to have 'excellent' performance.

We have continued to work closely with other inspectorates and regulatory bodies. Building on our established joint inspections of non-maintained settings, we continued to work with Care Inspectorate Wales in 2019-2020 to explore how we can develop joint inspection activity for independent and special schools and colleges that have residential provision.

We continued to play a strong role in education reform, working with the Welsh Government and providing advice through thematic reports and working groups. One of our most popular thematic reports this year was 'Healthy and happy – school impact on pupils' health and wellbeing'. My Annual Report for 2018-2019 was published in February 2020.

Throughout much of the past year, we dedicated time to listening to and learning from our stakeholders. This process included a public consultation on inspection and establishing a headteacher reference group. We will use the information we gather in this way to plan a supportive approach to engagement visits next year, as well as in developing a fair and transparent inspection framework for the future. The way in which we continue with this work next year will necessarily reflect the new circumstances that we all work in.

The year ahead will continue to be challenging, but having already seen how my colleagues have responded so far, I am proud to lead Estyn and have full confidence in our ability to continue to bring our impartial and objective judgement and expertise to bear on the challenges facing the education and training system in Wales.

Meilyr Rowlands

Her Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer

The Accounting Officer authorised these financial statements in section 3 of this report for issue on 14 July 2020.

Section 1

The Performance Report



1.1 Overview

Our purpose

Estyn is Her Majesty's Inspectorate for Education and Training in Wales. Our mission is to support excellence for all learners in Wales. We do this by providing an independent, high-quality inspection and advice service to the Welsh Government and the citizens of Wales. We are independent of, but funded by, the Welsh Government (section 104 of the Government of Wales Act 1998).

Our activities

A strategic overview setting out our mission, vision and values together with our three strategic objectives and delivery principle is available on our website. The about us section on our website further explains the work we do in regard to inspections of providers of education and training, provision of advice and guidance, building capacity and spreading best practice, and partnership working with other inspectorates, education bodies and stakeholders. We also work with other national organisations and commissioners.

Details of our [inspector roles](#) can be found on our website along with our [organisational structure](#). We also jointly employ an Inspection Wales Project Manager with Care Inspectorate Wales (CIW), Health Inspectorate Wales (HIW) and Audit Wales as part of [Inspection Wales](#), which is a collaboration between the four main inspection, audit and review bodies in Wales.

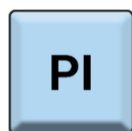
The Well-being of Future Generations (Wales) Act

The Act sets out a shared purpose to achieve a better and lasting quality of life for us all. Although the duty does not apply to us (we are not a listed public body for the purposes of the Act), we nonetheless fully support the spirit of the Act. **Annex 2** of this report details how we contribute to the Act and how we continue to build the wellbeing goals and sustainable development principle into our governance and operational delivery. The Annex includes reference to key projects, reports, survey results, policy and guidance, case studies, thematic reports, blogs and many other activities.

Performance summary

Each year we publish an [Annual Plan](#) that sets out the key activities for the year that support the delivery of our mission, objectives and reflect our delivery principles.

[Achievement against performance indicators](#) is monitored on a quarterly basis by the our Strategy Board and the results are published throughout the year on our website. Each year, our performance targets are reviewed to emphasise continuous development. In 2019-2020, we met the majority of targets for our performance indicators. Where a performance indicator target was not met we have provided an explanation in the performance analysis section.



performance met



performance not met

This performance summary highlights some key performance measures and performance indicators.

Strategic Objective 1: Provide public accountability to service users on the quality and standards of education and training in Wales

- Prior to the suspension of inspections on 16 March 2020, our inspection programme was on track; during the year we completed 322 of the 351 core inspections planned.
- None of our published inspection reports required amendment after publication as a result of substantial challenge to judgements (PI 1)
- 99% of providers were satisfied with our inspections across a range of key questions (PI 2)
- Over 98% of providers indicated that their inspection helped them to plan for improvement (PI 3b)
- Almost 98% of providers inspected were satisfied with the reliability and independence of Estyn's judgements following the publication of the inspection report (PI 3a)
- 99% of inspection reports were published within deadlines (PI 4)
- 25% of providers inspected in year required follow-up inspections to help drive improvement (2% more than previous year)

Strategic Objective 2: Inform the development of national policy by the Welsh Government

- HMCI's Annual Report was published in February 2020, on schedule (PI 5)
- All 12 thematic reports were published to agreed deadlines (PI 6)
- We responded to 27 consultations on a wide range of educational matters

Strategic Objective 3: Build capacity for improvement of the education and training system in Wales

- We published 89 best practice case studies
- We held 29 inspection-related training events and 18 stakeholder fora and best practice events
- We delivered update training for 673 existing peer inspectors and 92 new peer inspectors were trained
- 97% of delegates rated our training as good or excellent (PI 8)
- Almost all peer inspectors provided a positive response to our surveys (only one response out of 226 was not positive) (PI 9)
- We held the Estyn Awards evening – recognising 44 providers that achieved excellent judgements in the 2018-2019 academic year

Delivery Principle 1: Develop Estyn as a 'best value' organisation and 'exemplary employer'

- We maintained high levels of staff engagement – 78% engagement score in the annual civil service people survey (civil service average was 63%). We achieved fourth highest engagement level of the 106 organisations completing the survey (PI 10)
- We were accredited at level 3 of the Green Dragon Environmental Standard
- 2.6% annual sickness absence rate against a target of 4% (PI 11)

Delivery Principle 2: Work collaboratively with inspectorates and other stakeholders to support improvement

- 124 inspections, events and other requests for joint work within our remit were undertaken with other Welsh and UK inspectorates (PI 19a)
- We engaged with a representative body for every sector that we inspect (PI 19b)
- We exhibited at the Eisteddfod yr Urdd with the Education Workforce Council, National Academy for Educational Leadership and Qualifications Wales and also at the Royal Welsh Show as 'Inspection Wales', alongside HIW, Audit Wales and CIW

Developments within the year included:

- Publicly consulted on a proposed transition year in 2020-2021 to suspend inspections for maintained schools and PRUs. We had 560 responses from education professionals, parents/carers, learners, members of the public and others.
- Set up a headteacher reference group to help us develop our new inspection arrangements. This group of well-connected, experienced headteachers in the primary, secondary, independent, special and PRU sectors have informed and influenced how we will inspect from September 2021.
- Piloted the National Education and Improvement Resource with schools and other partners to test out its principles and the tools and approaches that support evaluation and improvement.
- Piloted a new approach to inspecting self-evaluation. From September 2019, instead of requesting the self-evaluation report prior to inspection, we used professional discussion with the headteacher and nominee around the school's improvement journey.
- Developed and began piloting our approach to engagement visits. Our professional discussions with school staff will help us build a picture of how schools are developing their work and responding to national priorities.
- Introduced flexibility when monitoring schools in follow-up.
- Contributed to the Welsh Government's multi-agency improvement boards for supporting schools causing concern.
- Continued our work with the Standing International Conference of Inspectorates and six other inspectorates and education providers across Europe in a two and a half-year multinational, Erasmus+ grant-funded project BIBESOIN (Better Inspection for Better Social Inclusion).
- Launched our blog, sharing insights about topical education matters and exploring themes.

1.2 Performance analysis

Performance against strategic objectives and delivery principles

Progress against planned activities is regularly reported to Estyn's Strategic and Executive Boards and a summary for the year follows below. Activities are planned and reported against each of our three Strategic Objectives and two Delivery Principles.

Strategic Objective 1:

Provide public accountability to service users on the quality and standards of education and training in Wales

Our inspections

All education and training providers are inspected at least once within an inspection period. The current seven-year inspection period started in September 2016.

We publish clear, evidence-based inspection frameworks and guidance that highlight what inspectors look at during inspections and how providers will be evaluated. A common inspection framework applies to all the sectors we inspect, other than local government education services and non-maintained settings, and is available on our website [here](#). [Inspection guidance](#) and [Supplementary guidance](#) for inspection is also available for each sector we inspect. Feedback from staff, governors, learners and parents is an important part of our inspection evidence base.

We did not complete the number of planned inspections for 2019-2020 financial year as we had to suspend inspection activity three weeks before the end of the period due to COVID-19. Up until this point we were on track to achieve the targets set out in our Annual Plan 2019-2020.

The section below sets out progress towards specific activity identified in our Annual Plan 2019-2020.

Non-maintained settings

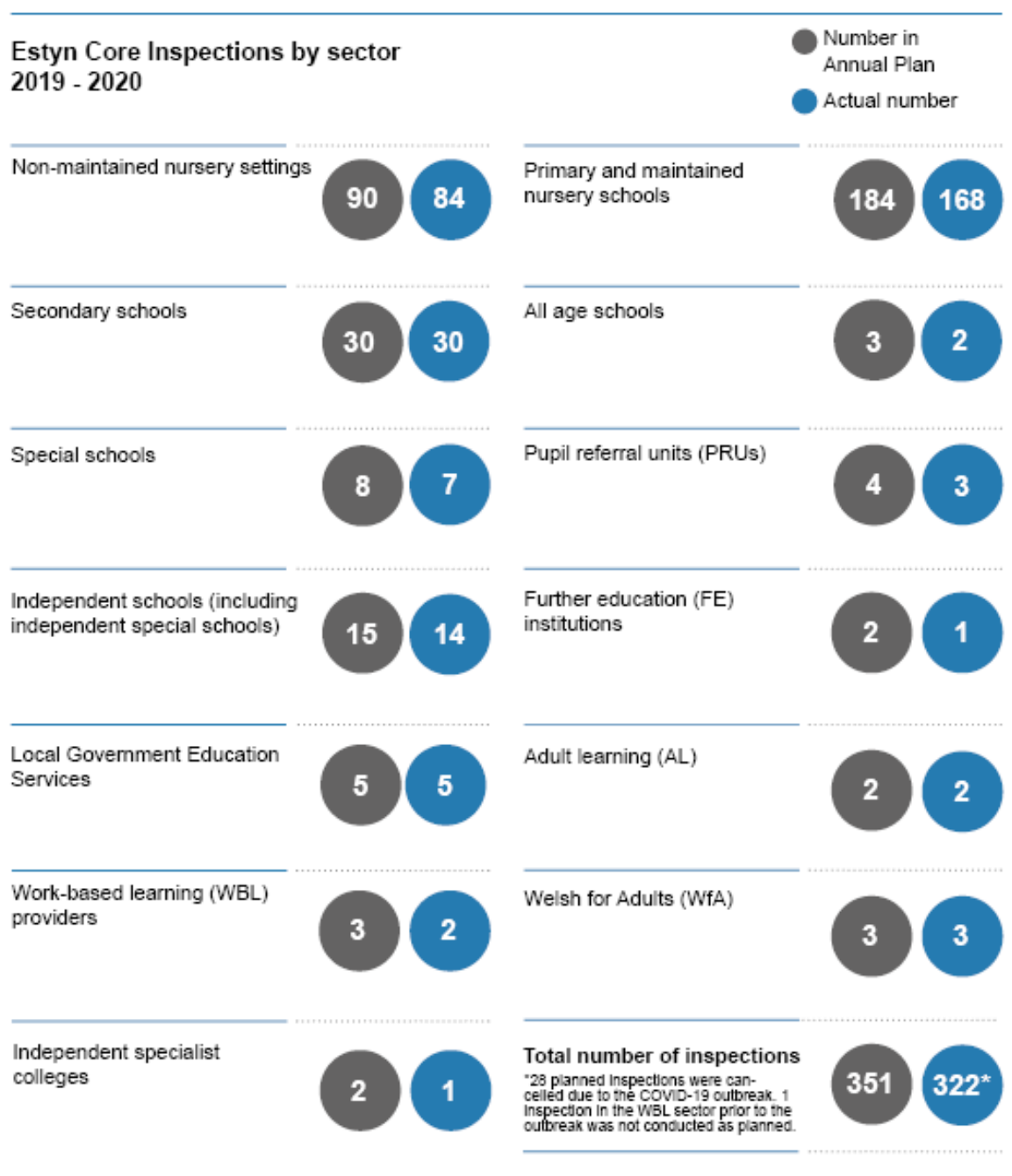
During 2019-2020, we continued to deliver the new joint inspection arrangements with CIW for all non-maintained nursery settings. We conducted an informal evaluation of implementation of these arrangements in 2019-2020 and are having ongoing discussions with CIW around more formal evaluation.

Initial teacher education

Initial teacher education (ITE) stakeholder events to liaise with the ITE sector are well established. During 2019-2020, we hosted two ITE workshops to discuss inspection arrangements and finalise guidance.

Stakeholders are involved fully in our new ITE inspection project board to develop our inspection methodology and to pilot new inspection methodologies in the sector. Peer inspectors from nearly all ITE providers and associated schools have been

trained for a series of 'try-out' inspections, with two of these taking place in 2019-2020 as a replacement for the usual annual monitoring activity.



Local government education services and regional consortia

During 2019-2020, we evaluated the inspection developments we piloted in 2018-2019 in local government education services (LGES), including consideration of whether focusing on local inspection questions, bespoke to each authority, provides a fair and robust evaluation of those services. The overall approach was positively received. A few changes were made to our guidance in this sector to reflect wider changes in the use of performance data.

In 2019, we removed summative gradings from LGES inspection reports. The evidence suggests that the narrative in our reports is providing appropriate assurances to the public on the quality of education services provided by local authorities, with the media reporting the outcomes of our inspection activity as robustly as in the previous cycle. We have identified three 'local authorities causing significant concern', which is resulting in major changes to how those local authorities are operating.

In 2019-2020, we agreed with Welsh Government that our approach for inspecting regional consortia would be principally through thematic inspections. Regional consortia practices and the impact of their work are also inspected as part of our LGES inspections.

Audit Wales inspectors accompanied us on each LGES inspection, focusing mainly on use of resources and financial matters, but also contributing to our evaluation of leadership in a wider sense including the effectiveness of scrutiny functions. We negotiated a memorandum of understanding with Audit Wales, which includes a reintroduction of charges for their contribution to our inspection work.

Adult learning in the community (ALC)

During 2019-2020, we evaluated the inspection developments we piloted in January 2019 and proposed slight changes to inspection models to reflect the variation of provider sizes across Wales. Two ALC partnerships were inspected in November 2019 and February 2020 using two inspection models to reflect the scope of provision. Lead officers continued to monitor any changes to the delivery and funding of adult learning partnerships that may be introduced; our ability to scale the inspection team size up/down maintained our flexibility to respond.

Independent schools

During 2019-2020, a change in inspection procedure was introduced so that reporting inspectors (RI) had an additional day of preparation for large mainstream independent school inspections. This allowed the RI to check compliance with many of the Independent School Standards (Wales) Regulations 2003 before the inspection begins and released team members to be more visible in the school during the inspection.

Pupil referral units

In our Annual Plan 2019-2020, we proposed to consult on and pilot different inspection and follow-up approaches for pupil referral units (PRUs) to help support sustained improvement. During the year we agreed to suspend this review and revisit from September 2021 after the transition year. In the meantime, pilot engagement visits have been conducted with PRUs as part of the wider programme.

Statutory and enhanced inspection follow-up activity

Throughout 2019-2020, we continued to monitor the progress of providers found to require [follow-up](#) at their core inspection.

We continued our three types of follow-up activity for schools:

- 1 Estyn review (formerly Estyn monitoring)
- 2 Significant improvement

3 Special measures

Significant improvement and special measures are statutory categories that apply to schools causing concern as defined by the Education Act 2005 and any associated circulars. Estyn inspectors lead all follow-up work. The activity involves increasing levels of intervention in proportion to need.

In 2019-2020, we replaced post-inspection action plan visits to schools placed in a statutory category with post-inspection improvement conferences. These conferences facilitate constructive dialogue leading to agreed actions and identified support for the school and governing body by local authorities and regional consortia, and representatives of the diocese where relevant. We continued to use these improvement conferences for schools in follow-up for extensive periods, where progress has not been rapid enough. During 2019-2020, there were two improvement conferences for schools in follow-up, one primary and one secondary.

A new approach, consisting of multi-agency improvement boards led by the Welsh Government, was piloted in 2019-2020. Secondary sector HMI are involved in the multi-agency improvement boards for ten secondary schools across the four consortia. During the COVID-19 crisis, these boards moved to being held remotely where possible.

For non-maintained nursery settings, we have two levels of follow-up:

- Progress review – for settings with a few important shortcomings, including leadership
- Focused improvement – for settings causing serious concern

For post-16 sectors, we also have two levels of follow-up:

- Estyn review – where providers' progress is reviewed following inspections which identify a few important areas for improvement, particularly in leadership
- Re-inspection – where providers have urgent shortcomings to address

There is one category of follow-up activity for local government education services inspections: 'causing significant concern'; in these instances we chair an improvement conference with senior leaders from the local authority and other key stakeholders where relevant, such as the regional consortium. Around a year after the post-inspection improvement conference, we facilitate a progress conference to evaluate progress since the inspection and check that plans to address shortcomings are having the desired impact and that they are updated appropriately. During 2019-2020, there was one improvement conference for a local authority causing concern. We postponed one improvement conference due to the pandemic.

Where independent schools do not meet all the Independent School Standards (Wales) Regulations, we monitor their progress and provide advice to the Welsh Government up to the point where full compliance is achieved.

The tables below set out the number of providers going into and coming out of follow-up activity during the year and the percentage of providers inspected requiring follow-up activity, 2017-2018 to 2019-2020.

| Number of providers going into and coming out of follow-up activity 2019-2020 | | | | | |
|--------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------|-------------------------------|-------------------------------------------------|-------------------------------------|
| Level of follow-up | In follow-up at the start of the year | Placed in follow-up from core during the year | Downgraded level of follow-up | Removed from level of follow-up during the year | In follow-up at the end of the year |
| Statutory (special measures / significant improvement) and focused improvement | 41 | 19 | 3(a) | 19 | 44 |
| Estyn review / Estyn monitoring / progress review (d) | 98 | 53 | 1(b) | 51(c) | 101 |

(a) 2 from Estyn review to significant improvement, 1 from Estyn review to special measures. Does not include two providers downgraded from significant improvement to special measures as they remained in the same level of follow-up.

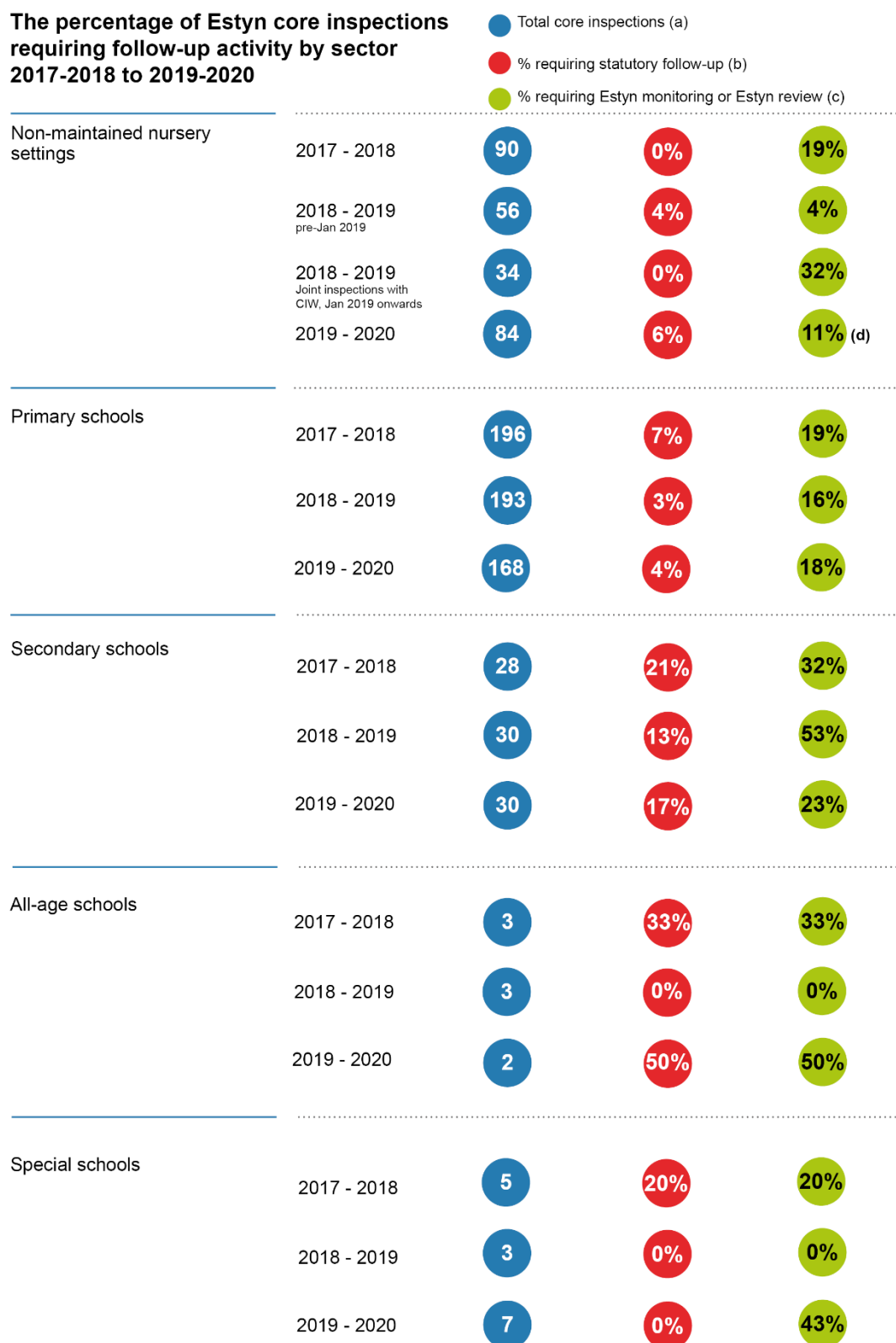
(b) Downgraded from local authority monitoring.

(c) 48 providers were removed from follow-up. Three were placed in a statutory category.




(d) Includes only providers in progress review where Estyn has some involvement in the follow-up.

| Percentage of providers inspected requiring follow up activity, 2017-2018 to 2019-2020 | | | |
|----------------------------------------------------------------------------------------|----------------------------|---------------------------------------------|------------------------------------------------|
| Financial year | Number of core inspections | Number inspected found to require follow-up | Percentage found to require follow-up activity |
| 2017-2018 | 345 | 90 | 26% |
| 2018-2019 | 342 | 77 | 23% |
| 2019-2020 | 322 | 79 | 25% |

The following graphic sets out the percentage of Estyn core inspections requiring follow-up activity by sector 2017-2018 to 2019-2020.



The percentage of Estyn core inspections requiring follow-up activity by sector 2017-2018 to 2019-2020

 Total core inspections (a)
 % requiring statutory follow-up (b)
 % requiring Estyn monitoring or Estyn review (c)

| | | | | |
|--------------------------------------------------------------------------------------|-------------|-----|-----|-----|
| Pupil referral units | 2017 - 2018 | 3 | 67% | 33% |
| | 2018 - 2019 | 4 | 0% | 50% |
| | 2019 - 2020 | 3 | 33% | 0% |
| Independent schools, independent special schools and independent specialist colleges | 2017 - 2018 | 11 | n/a | 45% |
| | 2018 - 2019 | 10 | n/a | 20% |
| | 2019 - 2020 | 15 | n/a | 13% |
| Post-16 providers (Includes ITET, FE, WBL, ALC and WfA) | 2017 - 2018 | 7 | n/a | 0% |
| | 2018 - 2019 | 7 | n/a | 29% |
| | 2019 - 2020 | 8 | n/a | 25% |
| Local government education services | 2017 - 2018 | 2 | n/a | 0% |
| | 2018 - 2019 | 2 | n/a | 0% |
| | 2019 - 2020 | 5 | n/a | 60% |
| All inspections | 2017 - 2018 | 345 | 7% | 19% |
| | 2018 - 2019 | 342 | 4% | 19% |
| | 2019 - 2020 | 322 | 6% | 19% |

(a) Includes joint pilot inspections with CIW and pilot inspections of Estyn's inspection arrangements.

(b) Includes focused improvement for non-maintained nursery settings from 2018-2019.

(c) Includes providers not meeting independent regulations in the independent sector and progress review for non-maintained nursery settings from 2018-2019. Also includes local authority causing concern in 2019-2020.

(d) Includes providers Estyn will follow up, mainly jointly with CIW, and excludes providers where the follow-up is handled by CIW alone.

Case study – follow-up inspection

Ysgol Treffynon, formerly Holywell High School, is an English-medium 11 to 16 mixed comprehensive school maintained by Flintshire local authority. At the time of the core inspection in January 2016, there were 407 pupils on roll, including 45 in the sixth form, which closed that year. Around 26% of pupils were eligible for free school meals, which is above the national average of 17%, and around 33% live in the 20% of most deprived areas of Wales. The school moved into new premises shortly after the core inspection.

As a result of the core inspection, both the school's current performance and prospects for improvement were judged to be unsatisfactory. Inspectors judged that the school required special measures. They made recommendations that leaders should address standards at key stage 4, improve attendance and reduce the number of fixed term exclusions and resolve the deficit budget. In addition, inspectors recommended that the school should improve the quality and consistency of teaching and assessment, and the effectiveness of leadership at all levels.

In June 2016, inspectors visited the school to work with leaders and the local authority to support the development of a suitable post-inspection action plan. Over the subsequent three years, a team of inspectors monitored the school's progress for two days each term. During the first two years, insufficient progress was made. Inspectors piloted an improvement conference in summer 2018, to work with the school, local authority and regional consortia to unpick the barriers to progress. During the final year of monitoring, the rate of improvement accelerated. In July 2019, after eight monitoring visits, inspectors judged that the school no longer required special measures. An interim executive board (IEB) replaced the governing body during the improvement journey, working alongside a shadow governing body to support a smooth transition when monitoring ended.

Over time, inspectors noted substantial changes in leadership and staffing. The school made good use of these opportunities to reorganise and refine leaders' roles and responsibilities. Leaders worked together to raise everyone's expectations of what pupils can achieve. As a result, the quality of classroom practice has improved markedly. Many teachers are now skilled, enthusiastic practitioners who have developed strong working relationships with their pupils. Most pupils attend school regularly and the number of exclusions has reduced. As a result, most pupils now make at least satisfactory progress and the majority make strong progress in developing their knowledge, understanding and skills.

In 2019-2020:

None of our published inspection reports required substantial amendment after publication as a result of challenge

PI1

Post-inspection survey results show that:

99% of providers were satisfied with our inspections across a range of key questions

Almost 98% of providers expressed satisfaction with the reliability and independence of our judgements following publication of the inspection report

Over 98% of providers expressed agreement that inspections are experienced by providers as a positive process that promotes improvement

PI2

PI3a

PI3b

99% of our inspection reports were published in a timely manner. Three were published outside of statutory timescales, two of these were delayed in agreements with the provider and local authority, and one was an administrative error.

PI4

Here are a selection of comments we have received from providers following inspection last year:

I would like to put on record the excellent work of the inspection team we had this week. They were thorough and challenging as all inspections should be but were not only highly professional but extremely sensitive to dealing with a small school setting. They were very easy to work with and made what many people find a difficult experience a positive one for our school and its future development. We feel that this experience has benefited the school in its ongoing development. Please thank the team for their hard work and dedication.

Primary school headteacher

I just wanted to say thank you for your involvement in our inspection. It was a pleasure to engage in professional dialogue with you around teaching and learning, in particular. In addition, our teaching staff really appreciated the feedback that you gave them, when you observed lessons.

Secondary school headteacher

I would just like to thank you, both personally and on behalf of the school, for the recent review. It was very kind of you to call before we finished for Easter. A daunting process was made productive and very fair. We recognise that we still have some way to go in addressing the recommendations and wider issues, including standards. However, we are a determined and increasingly resilient team who are keen to keep moving in the right direction.

Primary school headteacher

The quality assurance of Estyn inspections and reports

We have robust, wide-ranging systems to ensure the consistency, reliability, validity and accuracy of inspection outcomes. [Estyn's arrangements for assuring the quality of inspections](#) can be found on our website.

We use our systems of quality assurance to inform training and development priorities for inspectors, and to inform any additional quality assurance requirements.

In 2019-2020, we quality assured, validated and moderated all inspection reports, including scrutiny of the supporting evidence, prior to agreement on the findings, judgements and level of follow-up activity, if required. The quality assurance process for all inspections is undertaken by HMI who are not part of the original inspection team.

In addition, we undertook quality assurance visits to about 9% of school inspections in the primary sector, and around 7% of non-maintained setting inspections, which were not led by HMI. We also visited about 5% of inspections led by HMI as part of our quality assurance processes. We get feedback from providers through a factual accuracy check and a post-inspection questionnaire.

Guidance and training

During 2019-2020, we provided guidance and training to update inspectors. This included:

- publishing regular updates for inspectors
- publishing newsletters for joint-inspection with CIW
- completing summer 2019 update events for peer inspectors, lay inspectors and contracted additional inspectors
- completing joint training between HMI and Registered Inspectors (RgI) in September 2019
- delivering joint update training by CIW and Estyn to HMI and Registered Nursery Inspectors (RgNI)
- sharing and discussing updates with HMI during our professional learning weeks

We have provided on-site support to assure the quality of inspections led by RgI, for example where we have made changes to our inspection methodology. This year, HMI have shadowed 13% of the primary inspections led by RgI, to support inspectors to implement changes to our inspection methodology.

We have continued to update inspectors of non-maintained settings about changes to this sector's inspection methodology through a joint update with CIW and a separate update with registered nursery inspectors. We have worked with CIW to produce a termly newsletter to inform inspectors where we have refined our joint inspection methodology.

Our change programme

In our Annual Plan 2019-2020, we set out how we would begin to implement the recommendations in '[A Learning Inspectorate](#)', with changes to inspection arrangements through three phases, as explained in [A learning inspectorate: listening, learning and changing together](#).

In 2019-2020, we consulted on the first phase of our change programme, the 'transition year' and also began work on the inspection and validation project (phase 2 and 3).

The transition year

In summer 2019, we conducted a public consultation on our proposed transition year 2020–2021 (academic year). [The results from this consultation](#) are informing our work. The head teacher reference group has also developed into an effective forum for sharing and debating our approaches to inspection.

Outcomes of the consultation and outcomes from discussions with HMI, RgI, schools (via update training), local authorities and regional consortia have all informed how we can best support schools to plan for the new curriculum during the transition year.

During 2019-2020, we developed a programme of professional learning for all HMI, to help them support curriculum, professional learning and ALN reform. Specifically, we upskilled HMI in research methodologies. In September 2019, we also consulted

Rgl and began to develop packages of work to continue their deployment during the transition year.

During 2019-2020, we planned conferences and seminars to support the new curriculum. We also planned for inspections for non-maintained settings post-16 providers would continue as planned during the transition year.

These arrangements will be revised for 2020-2021 in light of current COVID-19 developments.

Inspection and validation

Proposals have been developed for the main changes identified in the Learning Inspectorate.

We regularly communicated with all staff, including time identified in every professional learning week to engage all HMI in the development of the new inspection arrangements. A Vlog was also established for sharing information internally. Externally, we launched a second nationwide, public consultation about future inspection arrangements in autumn term 2019.

New inspection arrangements in light of feedback from consultation were developed with the intention of piloting from April 2020. These pilots and related training have been postponed in light of COVID-19. Training for pilot inspections will now become conversion training during summer 2021.

In 2019-2020, it was our intention to develop and launch a formal consultation on post-16 inspection arrangements following the publication of the draft Tertiary Education and Research Bill legislation. This development and launch has been postponed to later in 2020 in light of COVID-19.

Strategic Objective 2:

Inform the development of national policy by the Welsh Government

In February 2020, HMCI published his 2018-2019 Annual Report on the quality of education and training in Wales.

The Report is web-based and accessible as a pdf document that can be read by online screen readers. Publication was followed by ongoing communication and promotion of messages up until a revision of our communication strategy in response to the COVID-19 situation.

HMCI Annual Report was published in February 2020, in line with the target date within our Annual Plan 2019-2020

PI5

During 2019-2020, we published 12 [thematic reports](#) on a range of topics in response to the [Minister's annual remit letter](#). These reports contained an overall total of 82 recommendations, with 14 recommendations (13 accepted) relating directly to actions for the Welsh Government itself to consider. The one recommendation not accepted by Welsh Government was contained within the report on 'Pupil registration practices' published in October 2019; to review arrangements for PLASC to ensure greater transparency of pupil movement. The Welsh Government has suggested that alternative analytical options are explored, which could be used to link existing data to analyse the destinations of particular learner groups. (PI 7)

92% of recommendations for improvement are fully accepted for implementation by the Welsh Government, (against an indicative measure of 95%)

PI7

Thematic reports published in 2019-2020

| Name | Date of publication |
|-------------------------------------------------------------------------------------------------------------------|---------------------|
| Provision for secondary school-aged Gypsy, Roma and Traveller pupils | April 2019 |
| Provision for young carers in secondary schools, further education colleges and pupil referral units across Wales | May 2019 |
| Healthy and happy – school impact on pupils’ health and wellbeing | June 2019 |
| Federated schools - common features of effective federation | July 2019 |
| Pupil registration practices | October 2019 |
| Knowing your children – supporting pupils with adverse childhood experiences (ACES) | January 2020 |
| Pupils with special educational needs in mainstream schools - A good practice report | January 2020 |
| Prevent – how well maintained schools implement their duties under the Counter-Terrorism and Security Act 2015 | February 2020 |
| Partnerships with employers in secondary and special schools | February 2020 |
| Pupil Referral Unit management committees | February 2020 |
| Effective school support for disadvantaged and vulnerable pupils – case studies of good practice | February 2020 |
| Leadership development – case studies of professional learning for school leadership | March 2020 |

Some examples of how our thematic reports help inform policy include:

- The findings and recommendations from our report on ‘Pupil registration practices’ has been used to help shape the new registration arrangements for EOTAS pupils, which the Welsh Government is developing currently.
- The report ‘Federated schools – common features of effective federation’ is being used by a Welsh Government working group to review its guidance around the federation process.
- Our report ‘Healthy and happy – school impact on pupils’ health and wellbeing’ influenced the final draft of the Health and Wellbeing AOLE in Curriculum for Wales. The report has also influenced the work of the ‘Joint Ministerial Task and Finish Group on a whole-school approach to emotional wellbeing and mental

health', which was set up in response to the NAFW Mind Over Matter report, published in 2018.

- The report 'Pupils with special educational needs in mainstream schools' describes many examples of effective provision for pupils with SEN in maintained primary, secondary and all-age schools. The report was requested by the Welsh Government to support headteachers and staff in schools, local authorities and regional consortia with the implementation of ALN reforms introduced by the Additional Learning Needs and Education Tribunal (Wales) Act (2018).

All thematic reports were published within timescales agreed with the Welsh Government

PI6

During 2019-2020, we continued to provide advice and support to the Welsh Government's Department of Education and the Department for Skills, Higher Education and Lifelong Learning as required, including participating in committees, working and advisory groups. From the final weeks of March 2020 onwards, this included extensive involvement in supporting and providing guidance for Welsh Government's Continuity of Learning Plan in response to the COVID-19 pandemic.

Throughout the year, senior management and HMI attended the Children, Young People and Education (CYPE) Committee hearings:

- 16 Jul 2019 – Post Legislative Scrutiny of Higher Education (Wales) Act 2015 – this was based on evidence initially given in July 2018
- 5 Feb 2020 – EOTAS Inquiry
- 11 Mar 2020 – HMCI's Annual Report

They also attended the Economy, Infrastructure and Skills Committee hearing on Degree Apprenticeships on 12 March 2020.

Written evidence was given to the following Committees:

- 20 Sept 2019 – CYPE Inquiry regarding the rights of children and young people
- 20 Sept 2019 – Oracy All-Party Parliamentary Group, London regarding 'Speak for Change'
- 18 Oct 2019 – CYPE Inquiry regarding EOTAS
- 3 Jan 2020 – Equality, Local Government and Communities Committee regarding Local Government and Elections (Wales) Bill
- 23 Jan 2020 – Economy, Infrastructure and Skills Committee regarding a new Inquiry, 'Degree Apprenticeships'
- 7 Feb 2020 – Finance Committee, a consultation on the Draft Public Audit (Amendment) (Wales) Bill

We also used our extensive evidence base to respond to 27 consultations on a wide range of educational matters, including the Welsh Government's:

- Ensure learners have access to broad and balanced curriculum
- Home education: statutory guidance for local authorities and handbook for home educators

The Welsh Government's consultation page can be found [here](#).

Consultation responses to other organisations include:

- Qualifications Wales – Qualified for the future
- Welsh Language Commissioner - 5 year report

Responses to school reorganisation proposals¹



In 2019-2020, we responded to 33 school reorganisation proposals and concluded that all were likely to at least maintain or improve educational outcomes.

Advice and support to the Welsh Government on other areas

In 2019-2020, we provided advice and support in the following other areas:

- Published a report on best practice in use of pupil development grant
- Prepared a report on Community Schools that is due to be published on 7 July 2020
- Published guidance around follow-up arrangements for local authorities and follow-up arrangements implemented in Powys; the successful improvement conference took place on 27 and 28 November 2019
- Completed advice on one honours request
- Responded and met all requests for advice in relation to independent schools and independent specialist colleges;
 - annual monitoring visits to 22 Independent special schools and four independent special colleges
 - six first registration visits to mainstream independent and independent special schools

¹ Note: information calculated from 'date proposals received' in the school reorganisation log

- five second registration visits to independent mainstream and independent special schools
- 20 material change visits
- two unannounced focused visits

the current COVID-19 situation will influence how we resume inspection and monitoring work across the independent sector in 2020-2021

Support for education reform

During 2019-2020, Estyn's support for education reform has included:

- We undertook thematic inspections in 2019-2020 that focused on specific aspects of education reform, including leadership development
- We identified good practice in secondary schools preparing for the new curriculum
- Our best practice lead officer monitored outcomes from inspection and thematic work and liaised with sector leads to capture interesting practice and publish case studies and cameos
- Our professional learning weeks included regular inputs on all aspects of education reform
- Supporting additional learning needs (ALN) reforms, we published a thematic report on SEN in mainstream schools and completed drafts for SEN supplementary guidance on inspecting provision for:
 - visually impaired learners
 - learners with SEBD
 - learners with PMLD

In 2019-2020, we looked at emotional wellbeing and mental health and activity included:

- publishing the 'Happy and Healthy' and 'Supporting learners with adverse childhood experiences' reports
- preparing a thematic report on emotional wellbeing and mental health and considering adding a chapter on the impact of the COVID-19 pandemic on pupils' emotional wellbeing and mental health
- making excellent progress on the thematic report on LGBT pupils

We also looked at provision for disabled pupils and published a thematic report on SEN in mainstream schools.

Visits to providers had to be postponed for a few thematic reviews because of school closures due to COVID-19.

Strategic Objective 3:

Build capacity for improvement of the education and training system in Wales

We use information gathered from inspection work and thematic survey work to help inform our building capacity work, which includes effective practice conferences, stakeholder events, and publishing good practice case studies on our website [here](#).

Effective practice case studies



These case studies are written by schools and other providers and explain areas of practice that we consider worthy of sharing with others. They describe practice identified during inspection that inspectors consider to have a positive impact on the outcomes, experiences and provision for learners in the context of that particular provider.

Education professionals and other stakeholders access our thematic report recommendations, guidance and case studies through a range of communication channels. We actively promote our resources through social media and our website using graphics and videos to boost engagement and attract the attention of busy headteachers, teachers and others who work in or support education and training.

We held 18 stakeholder forum meetings and best practice events in 2019-2020 (34 in 2018-2019).

One of our most popular thematic reports this year was *Healthy and happy – school impact on pupils’ health and wellbeing*. With its many case studies of good practice, the report highlighted how primary and secondary schools could take a whole-school approach to embedding support for pupils’ health and wellbeing in their experiences of everyday school life.

We held 29 inspection-related training activities for education and training professionals in 2019-2020 (37 in 2018-2019).

Compared with the previous year, fewer training events were required in 2019-2020 as we approach our transition year, pause school inspections and develop changes to our inspection framework. A small number of events were also cancelled due to COVID-19.

Feedback from delegates concerning our training events and best practice conferences is very positive. We value the feedback we receive from training evaluation forms and use this to continually improve. As per the previous year, in 2019-2020 we fell just short of our 98% satisfaction target.

97% of delegates indicated satisfaction in evaluation of Estyn hosted events (98% target)



Student inspectors

Training for our new role of 'student inspector' on our further education inspections was delivered in July 2019. We deployed the first student inspectors on our inspection of the Neath Port Talbot group of colleges in spring 2020.

Peer inspectors

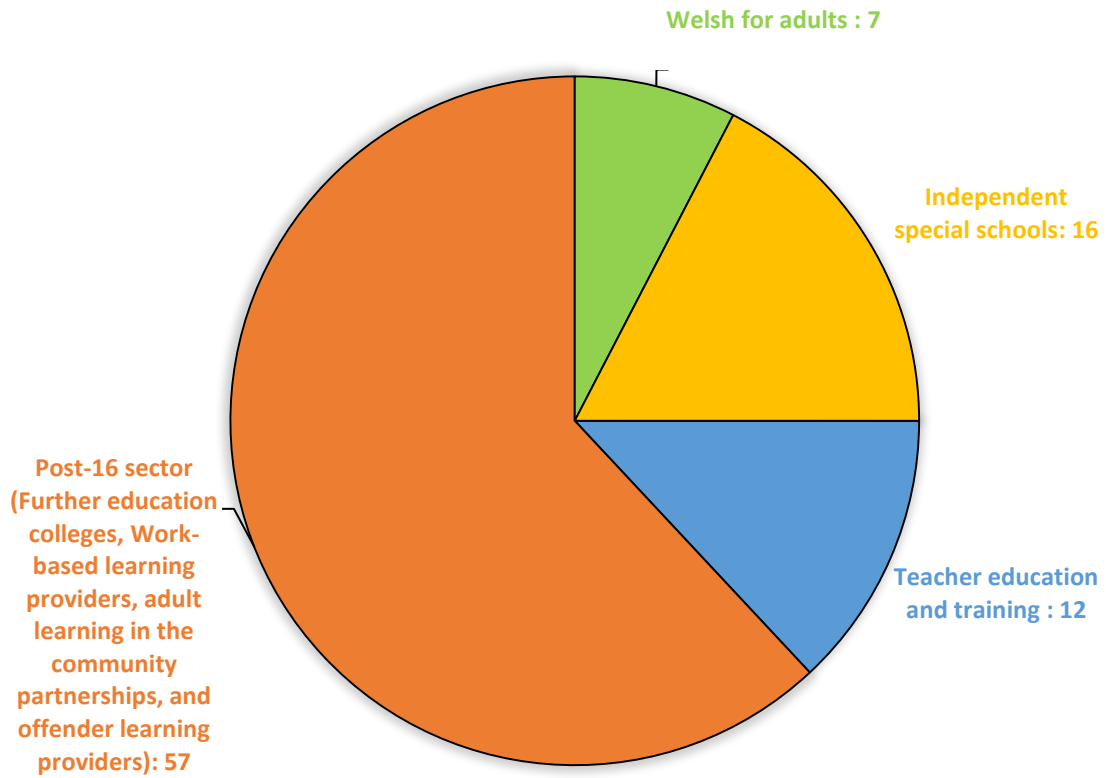
Peer inspectors (professional practitioners who have a managerial role in a school or provider and have teaching or training experience in the relevant sector) remained an integral part of our inspection processes. We have around 800 peer inspectors² on our lists.

We recruit and train peer inspectors for all sectors apart from non-maintained nursery inspections. We annually review our pool of inspectors and deliver training, as appropriate. In 2019-2020, 673 existing peer inspectors received face-to-face update training and 92 new peer inspectors were trained. The two pie charts indicate a breakdown of training by sector. We delivered initial training for peer inspectors across the post-16 inspection sectors, including training new Welsh for Adults peer inspectors and, for the first time, peer inspectors from offender learning providers; our aim is have at least one peer inspector in every provider by 2026.

Practitioners who are peer inspectors continued to express high regard for this training and for their experience on inspection, which is seen as excellent professional development and supports improvement being made within their settings.

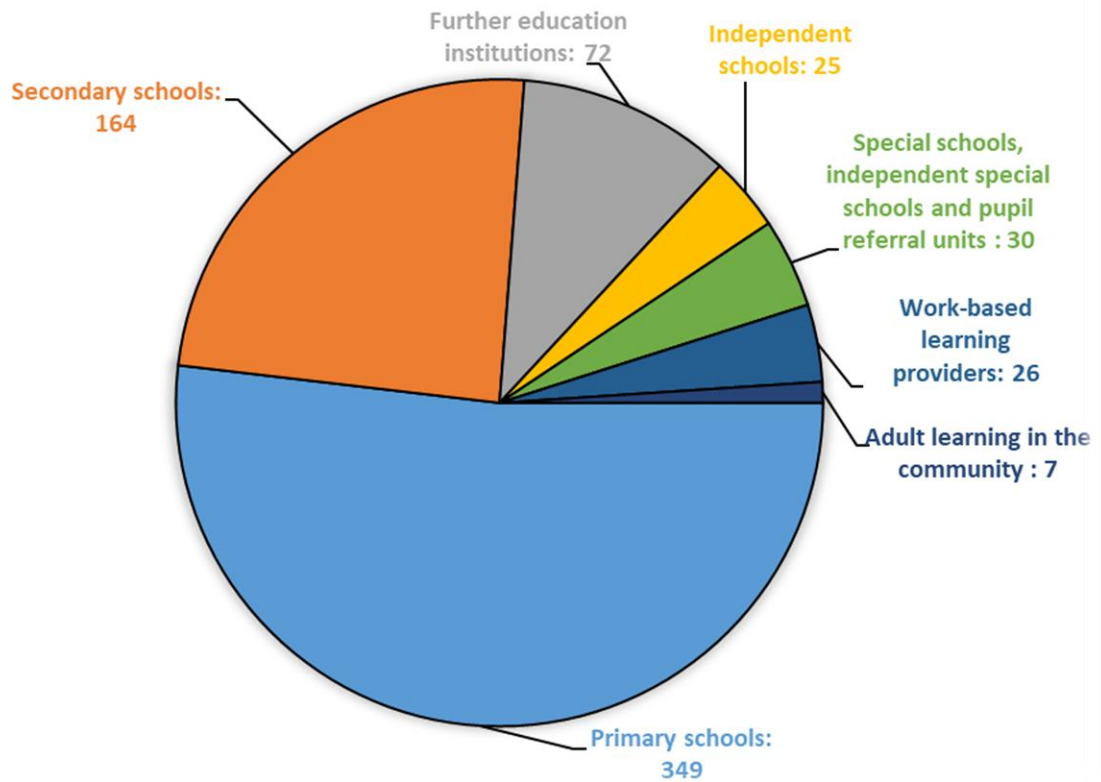
² Peer inspectors have a valid disclosure check (within the last three years) by the Disclosure and Barring Service and have attended training within the last two years. Data as at 15.05.2020.

New peer inspectors trained

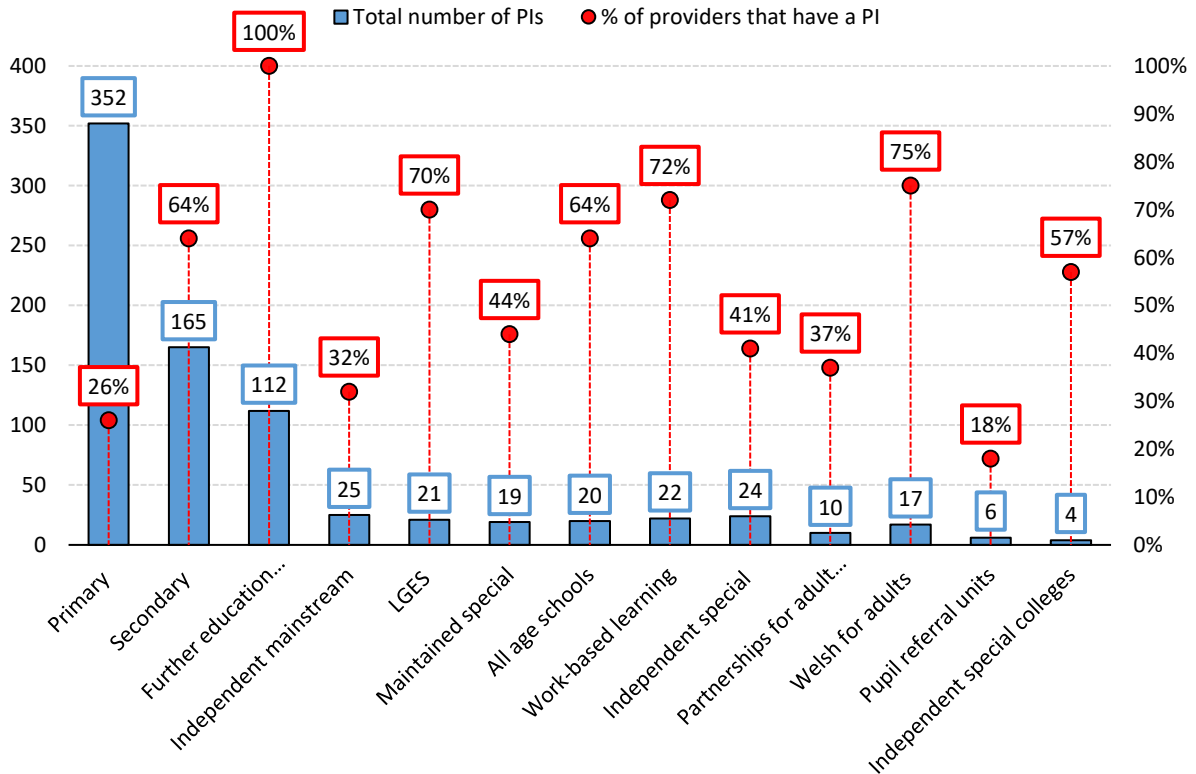


The bar chart on the next page indicates the total number of peer inspectors by sector and the percentage of providers with a peer inspector by sector.

Peer inspectors attending update training



Number of PIs and % of providers with PI, by sector



Also, two-thirds of prisons have a PI from their respective learning and skills provision. (4 PIs).

We collated feedback from training evaluation forms completed by peer inspectors and receive lots of positive feedback.

Almost all peer inspectors provided a positive response to our surveys (only one response out of 226 was not positive)

PI9

Here are some of the comments:

“Thank you for a great day; really useful and very encouraging messages in this time of great change.”

“Just to say a big thank you to the Estyn inspectors delivering for the quality and the relevance of the training. They also were able to create a good balance between the necessary information sharing and trainer led delivery and the facilitation of group discussion and delegates’ feedback on points raised.”

“A well planned and informative day that aided my professional development and provided me with plenty to take back to my own school to support others in reflecting effectively on their own practice and the impact on learners.”

Link inspectors

Our system of link inspectors for further education, work-based learning, local authorities and regional consortia enabled us to maintain constructive working relationships with providers and share effective practice. They engaged with a range of senior leaders. For example, our local authority link inspectors discussed the strategic education priorities with the Chief Executives, leaders of the councils, and corporate and director leads in local authorities across Wales. They attended education scrutiny meetings, interviewed service area lead officers and visited settings in order to gain a secure understanding of how the education services are planned and delivered. In addition, they used Welsh Government data and Estyn’s inspection intelligence to build up a picture of general performance across the education services in each local authority.

Celebrating excellent practice

In October 2019, we held our Annual Awards Evening and celebrated the success of 44 providers judged during the 2018-2019 academic year to have 'excellent' performance. Keynote speeches were delivered by the Minister for Education Kirsty Williams MS and Meilyr Rowlands HMCI.



Our website

In autumn 2019 we launched a blog, where, we share insights about topical education matters and explore deeper into our thematic reports.

We also updated the Annual Report area of our website to support the wealth of information published in this year's extended report. Those working in education can now easily browse for the main inspection findings for their particular sector or look at individual themes. There are also accessible infographics, case studies and animations to support providers with their improvement processes.

A full re-development of the website began in spring 2020. Upgrading the platform the website is built on is now our next task, so we have taken the opportunity to review fully how the site is currently used. We gathered analytic data and insights from workshops with a range of website users to plan and build a new design and new functionality to improve the experience for visitors. Navigation will be simpler, it will be easier to search for information and documents will be more visible.

The new website will be launched in summer 2020.

Engagement visits

A key aspect of the 'A Learning Inspectorate' change programme is the development of a new role for our inspectors to carry out 'engagement visits'.

A working group was established to develop our approach to engagement visits, with our professional learning weeks including regular inputs on all aspects of engagement visits. We consulted with stakeholders in 2019-2020 and established broad support for our approach. Pilot engagement visits were carried out throughout summer and autumn term 2019 and were well received. We trialled the use of NVivo, a research tool, to analyse evidence collected and produce sample reports.

At the year-end we recognised the need to adjust the process and focus of engagement visits to recognise the challenges of COVID-19 and capture and share learning – we will be developing this activity from summer 2020 onwards.

Delivery Principle 1:

Develop Estyn as a 'best value' organisation and 'exemplary employer'

Throughout 2019-2020, we maintained our focus on being a well-run and efficient organisation that values its staff, is seen as a great place to work and supports the principles of the Well-being of Future Generations (Wales) Act 2015.

PI16



Our Health, Safety, Employee Wellbeing and Engagement Group continued to identify, monitor and implement improvement actions – including those raised through external accreditation processes, such as Investors in People.

During the year we have continued to collaborate with other organisations and seek out effective practice through exchange visits with other high-performing organisations, for example the Welsh Revenue Authority, and benchmarking activities with other UK inspectorates.

We took part in a Bangor University research project during May and June 2019 with 25 staff interviewed. The project looked at practices within the public sector that lead to high staff morale and engagement – and any links with higher levels of public service user satisfaction from dealing with 'happy' organisations (particularly 'Welsh' organisations). Some common emerging feedback from the interviews with our staff included:

- Everyone was aware of the high level of employee engagement within the civil service people survey and no-one was surprised by it – all felt it was representative of the organisation
- Wellbeing is very important to Estyn
- Many HMI and some other staff felt they were able to make a difference through their work

The University intends to publish a report that will provide good practice examples that other public sector organisations can learn from.

During 2019-2020, we also maintained our productive and professional relationship with the unions through termly meetings of Strategic and Operational forums, working collaboratively on key policies such as our Dispute Resolution policy, Bullying, Harassment and Discrimination policy, and Health, Safety and Wellbeing policy.

We reviewed and developed a new reporting arrangement for our current performance indicators and management information. This helped to inform the discussion around our future PIs to be published within our Annual Plan 2020-2021.

Staff engagement score:
78% (civil service average was 63%)

Fourth highest engagement level of the 106
organisations completing the survey

PI10



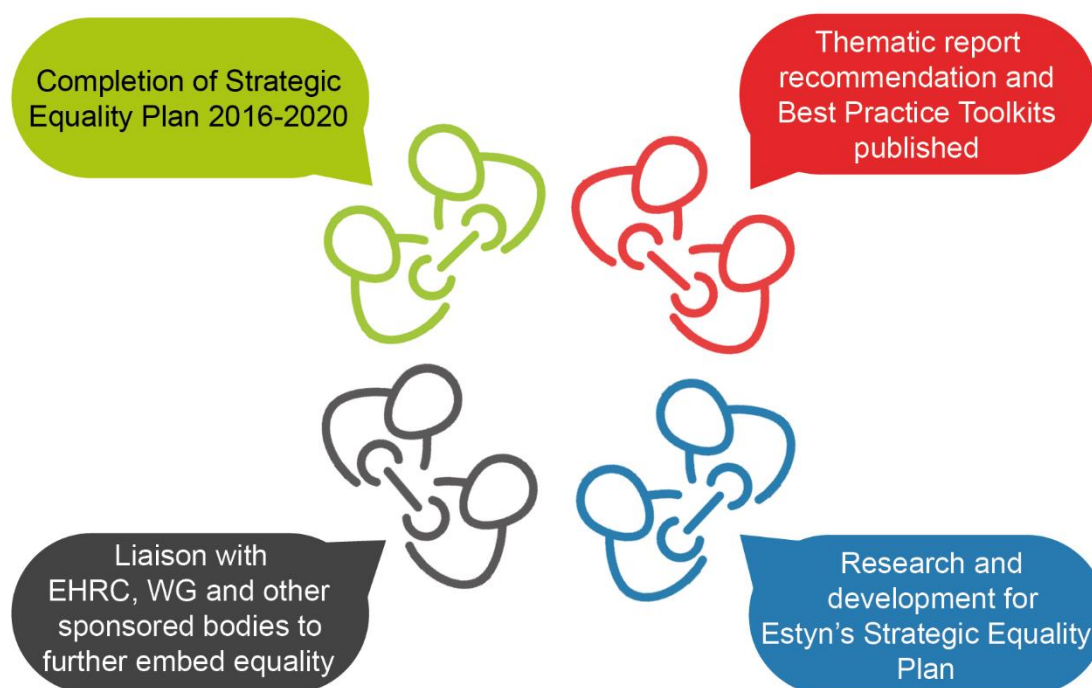
Our concern for the health and wellbeing of staff remained high, with a dedicated group overseeing and developing actions as part of our accreditation of the Corporate Health Standard. A key initiative during the year was the provision of Mental Health First-Aiders comprised of staff from across all levels of the organisation. In response to the COVID-19 pandemic, in mid-March 2020 all our staff moved to home working. We ensured that risk assessments were completed, appropriate equipment was provided and relevant guidance was issued to all staff. Arrangements were quickly put in place to support the new method of working and to help protect staff wellbeing.

Equality

During 2019-2020 we continued to raise awareness of equality and diversity. We published the annual review of our Strategic Equality Plan 2018-2019 and met with the Equality and Human Rights Commission (EHRC) to discuss how we could further improve.

PI16

We have consulted on and developed the new Strategic Equality Plan 2020-2024; due to COVID-19, the publication deadline has been extended to 30 September 2020 by the EHRC.



A number of our published thematic reviews and best practice case studies covered how equality and diversity issues can impact on learners and how providers can tackle these important issues, for example;

Thematic reviews

- [Supporting pupils with adverse childhood experiences](#)
- [Support for disadvantaged and vulnerable pupils](#)
- [Supporting pupils with special educational needs](#)
- [Provision for secondary school-aged Gypsy, Roma and Traveller pupils](#)

Full details of our thematic reports can be found following this [link](#).

Effective practice

- [Using school programmes to support equality and diversity](#)
- [Celebrating diversity to produce well informed, responsible and tolerant pupils](#)

Full details of our effective practice studies can be found using this [link](#).

Welsh language standards

Our internal working group met termly to review our procedures and further develop our approach to meeting the requirements of the Welsh language standards. We continued to undertake peer review sessions to check whether our approaches comply with the legal requirements. These sessions help us to sharpen our ways of working and help us to develop consistent approaches across the organisation. During the year, we focused on ensuring that the new information and computer systems being introduced internally would not lessen our use of the language but would in fact improve our use of it. We consulted with the Welsh Language

Commissioner's compliance officer during this process and were informed that our peer review sessions were to be included as an example of best practice in a guidance document to be published by the Welsh Language Commissioner.

Welsh language training for Estyn staff included sessions in the office and support for those learning in local Welsh for Adults providers or attending residential courses. All new staff, permanent or temporary, receive language awareness sessions during induction and are encouraged to use online resources to improve their Welsh language skills. Overall, 35% of Estyn staff are able to work through the medium of Welsh.

Met the requirements of Welsh Language Standards

PI17

Investing in the professional learning of our staff

During the year, a number of organisational training events took place including four professional development weeks, a corporate services development day and an all staff conference focusing on our 'tone of voice' and values. The following professional development activities also took place in 2019-2020:

- induction for new members of staff including secondees
- peer mentoring to support new inspectors during their first year
- Welsh language training
- media training for inspectors leading thematic reports to increase confidence when providing media interviews
- driver training for those who drive for work
- mental health awareness training for Directors
- qualitative data analysis system training
- safeguarding
- conducting investigations training
- attendance at professional seminars and conferences for both inspection and corporate services staff

Particular focus will be maintained on supporting and developing staff to ensure that they are well placed to deliver the 'A Learning Inspectorate' change programme.

HMI

In 2019-2020 we:

- started to deliver a planned programme of five modules of research methods training for HMI started in September 2019 to help HMI to prepare for their 'personal enquiry' project
- strengthened distributed leadership as HMI were given lead roles for key projects, for example developing the role of registered inspectors, professional learning for HMI, developing a strategy for engagement activities, and thematic reports reimagined

- trained HMI in supporting schools in aspects of the national evaluation and improvement resource; support materials were provided and training undertaken in summer and autumn 2019
- provided regular updates and opportunities for discussion with HMI during professional learning week; termly analysis of the inspection of 'pioneer'/'quality improvement' schools was circulated to all HMI to see examples of emerging practice
- published a review of supplementary guidance for SEN, along with guidance for inspectors on the use of SEN, ALN and pupils who need extra support; all 'supplementary guidance' and 'quality assurance of reports' guidance was reviewed to ensure consistency in reporting, as well as desk instructions for Inspection Coordinators to ensure consistency in their communication with schools
- drafted a paper about professional learning support needed around curriculum reform to support engagement visits

Corporate services staff

In 2019-2020 we:

- strengthened distributed leadership capability in corporate services with staff involved in every one of our 'A Learning Inspectorate' project groups; further project work, led by range of individuals and linked to the implementation of our transition requirements, included SharePoint online work, our website upgrade and our new 'virtual inspection room' development
- encouraged staff to work flexibly across corporate services with staff taking responsibility for delivering activities outside of their usual areas of work, for example human resources staff supporting our events team and office services staff developing knowledge and skills to enhance information technology support available to all colleagues

Comments, complaints and requests for information

As a learning organisation, we take comments and complaints seriously and respond fully, fairly and as quickly as possible to complaints and requests for information. Regular updates and discussions are programmed for internal management groups. A review of our complaints procedure resulted in updated internal and external guidance and a more consistent approach to stage one complaints is now in place.

Details of FOIA requests and responses are published on our website and can be found [here](#).

Sustainability

We were again re-accredited with the "Green Dragon Standard" Level 3 in March 2020. We use the accreditation process proactively to identify opportunities to further improve our environmental management activities and set these out in our [Environmental Policy and Statement \(including biodiversity duty reporting\) 2020](#).

Total CO₂ emission in 2019-2020 was 111,373 kg. Whilst this represents an increase of 8.5% over the last 12 months, this result is still well within our target of 138,354kg CO₂.

Estyn's main impact on the environment arises from transport CO₂ emissions when our inspectors visit education and training providers. Emissions from personal and car hire use increased by 13% this year, while rail and air travel remained consistent.

On a positive note, there was a dramatic reduction in the impact of energy usage generated at our office base for the second year running largely due to a combination of a change in utilities provider which led to zero emissions from electricity, along with lower CO₂ emissions from gas usage, which reduced by 89.4%.

This is also our second full reporting year of zero waste going to landfill.

Regarding our inspection process and pupils' understanding of sustainable development and global citizenship (SDGC), in our current common inspection framework the focus has moved to the 'five ways of working' in the Wellbeing and Future Generations Act. Further consideration will be given to sustainability in its widest sense as part of the new inspection arrangements for 2021.

Performance against environmental objectives for the period can be found in the latest Sustainability Report on our website.

Charity fund-raising

In 2019-2020, our staff continued to be enthusiastic supporters of charity events, raising over two and a half thousand pounds for a number of good causes, including Breast Cancer Care, Velindre Cancer Centre and Tenovus cancer care.

Funding-raising events included the annual 'strawberry cream tea lunch' which included individual donations and raffles.

Corporate planning

Our Annual Plan sets out our strategic direction for the coming year, including the key activities we will take forward during the year. Our Annual Report and Accounts reports on how we delivered against these activities, including our annual resource accounts.



The draft Annual Plan for 2020-21 was produced on schedule but submission to First Minister for approval was been deferred to allow adjustments to be made in response to Covid-19 situation

PI12

The Annual Report and Accounts 2018-19 were produced within statutory timescales and Estyn's annual resource accounts were not qualified by external audit

PI13

PI14

Financial performance highlights³

Results for the year

Our 2019-2020 'cash equivalent' funding from the Welsh Government was effectively flat-lined at the 2018-2019 level, leaving us to manage inflationary increases, including the cost of a staff pay award. Our core budget was supplemented with grant funding from the Welsh Government that allowed us to maintain sufficient numbers of inspectors to provide support for a range of projects linked with education reform in Wales.

Total net operating costs for 2019-2020 were £11.9m; this is an increase in expenditure of around 8% against the previous year.

In 2019-2020, grant funding amounting to £678k from the Education Directorate of Welsh Government was used to support the development of a Self-evaluation Toolkit and to pilot our inspector 'engagement visits'. The majority of this funding was used to cover the cost of Estyn staff involved in this work, with the remainder of the funding used to cover external expenses such as the cost of workshop events and reimbursement of the cost of practitioner time spent on the project.

Our staff costs, which account for around three-quarters of our budget, were £8.8m in 2019-2020. This is an increase of around 11% on 2018-2019 expenditure even though there was only a 1% increase in the number of staff we employed. In 2019-2020, the Welsh Government provided additional funding of £370k to cover an increase in our employer pension contributions resulting from changes to the civil service pension fund arrangements. We also increased, by £85k, our accrual for untaken annual leave (holiday pay) as at 31 March 2020. In 2019-2020, we continued to shadow Welsh Government pay arrangements and implemented a 2% staff pay award. Details of our remuneration policy and pay rates are available within our published [Pay Policy Statement](#).

Non-staff costs, at £2.944m (excluding depreciation), included external project costs of £68k to develop the Self-evaluation toolkit. Excluding this project expenditure, non-staff costs amounted to £2.876m, a small increase of under 1% on 2018-2019

³ Section 3 provides the financial statements and notes to the accounts.

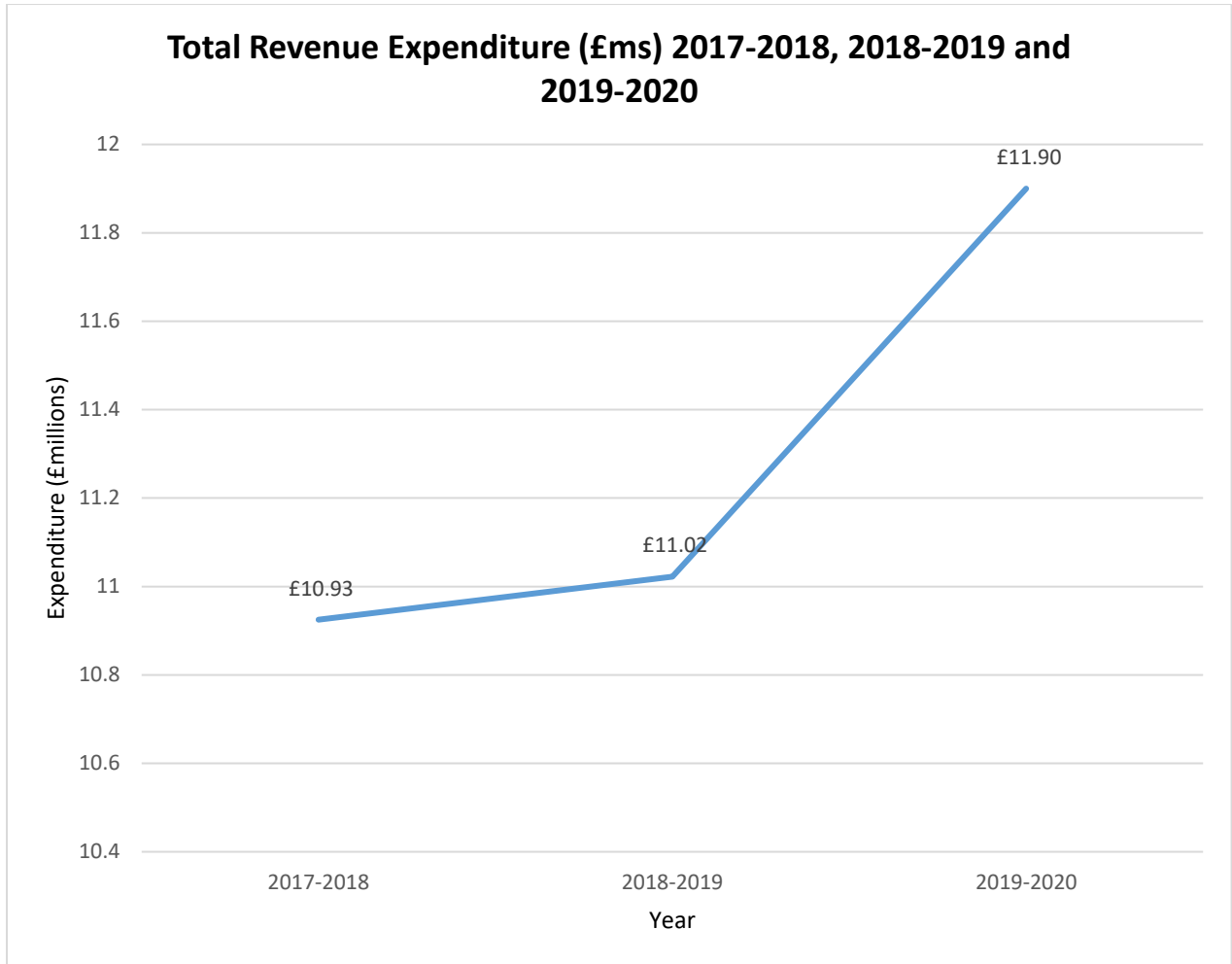
expenditure. A breakdown of these costs is shown within Table 4 of the Notes to the Accounts.

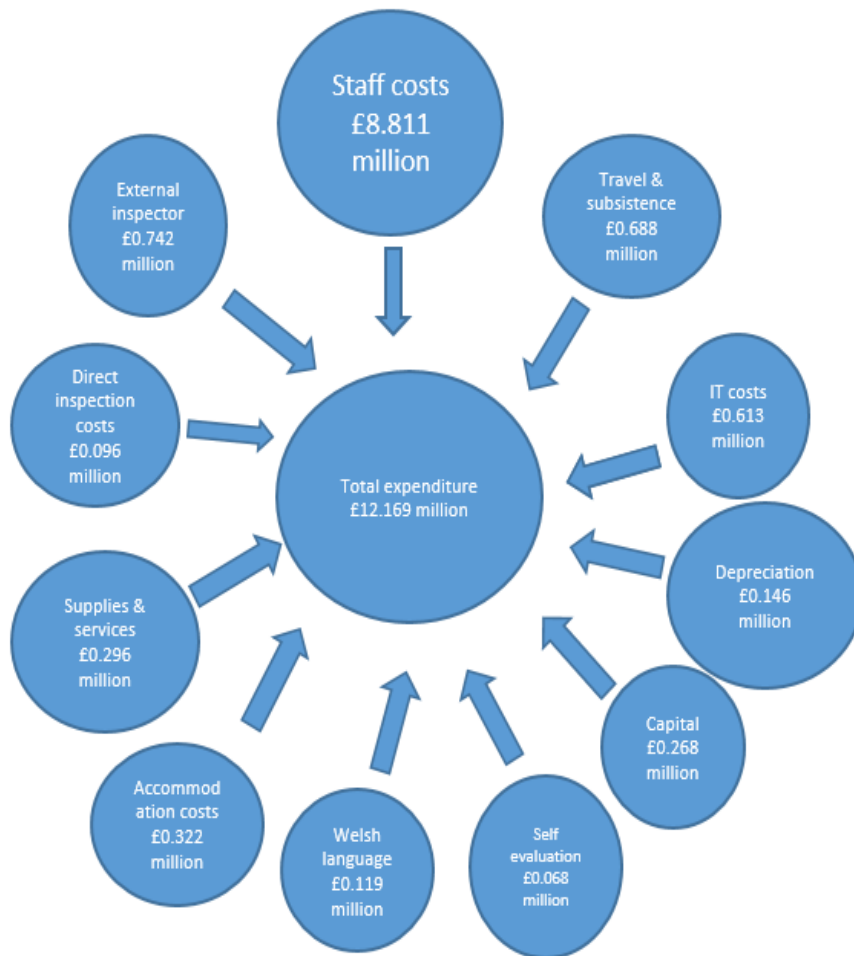
In the final two weeks of March 2020, the escalation of the COVID-19 pandemic required us to suspend planned inspections. In accordance with contract terms and conditions cancellation fees totalling £14k (25% of contract values) were paid to our external inspectors for inspections that were due to be undertaken before the end of the financial year.

In 2019-2020, we used £264k of the £281k capital funding budget allocated by the Welsh Government. The majority of this expenditure was used to refresh of our pool of laptop computers and to enhance our remote conferencing equipment; with the development of the COVID-19 pandemic this proved to be a timely investment.

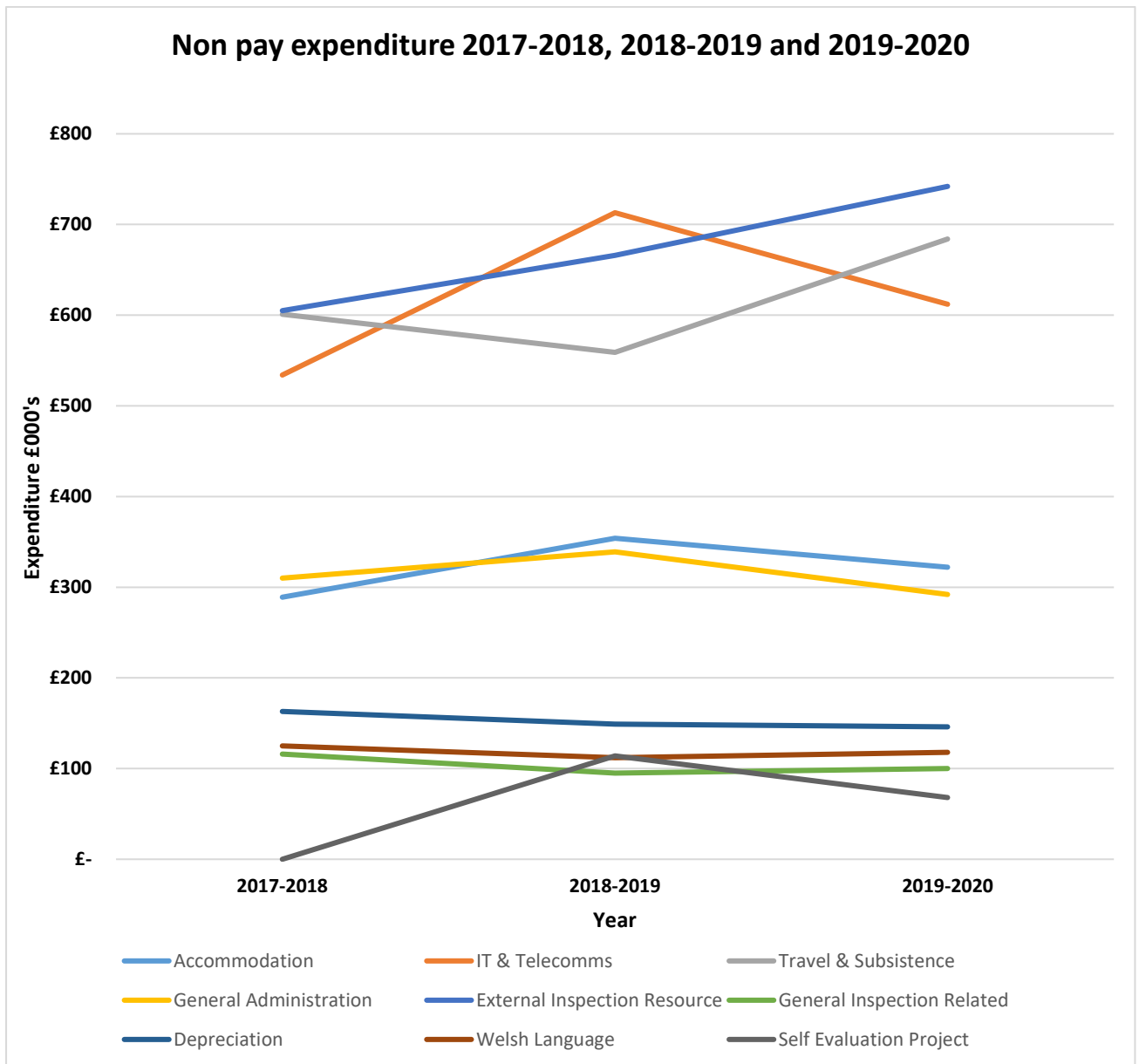
The Statement of Financial Position (SofFP) as at 31 March 2020 shows net liabilities of £157k (2018-2019: net assets of £25k). The change relates to the net effect of the increase/decrease in fixed assets and bank balance, debtors, provisions and accruals. It is not unusual for Estyn's SofFP to show a relatively small surplus or deficit position at the end of a financial year due to the high level of receivables and payables. Payables are a normal consequence of Estyn's arrangements for resourcing inspections with peer inspectors, lay inspectors and additional inspectors (including secondees) and result from the timing of the receipt of the invoice. The increase in Payables in 2019-2020 is largely due to the accrual of the invoice from Welsh Government for March 2020 staff salaries; in 2018-2019 this invoice was paid in advance on an estimated cost basis.

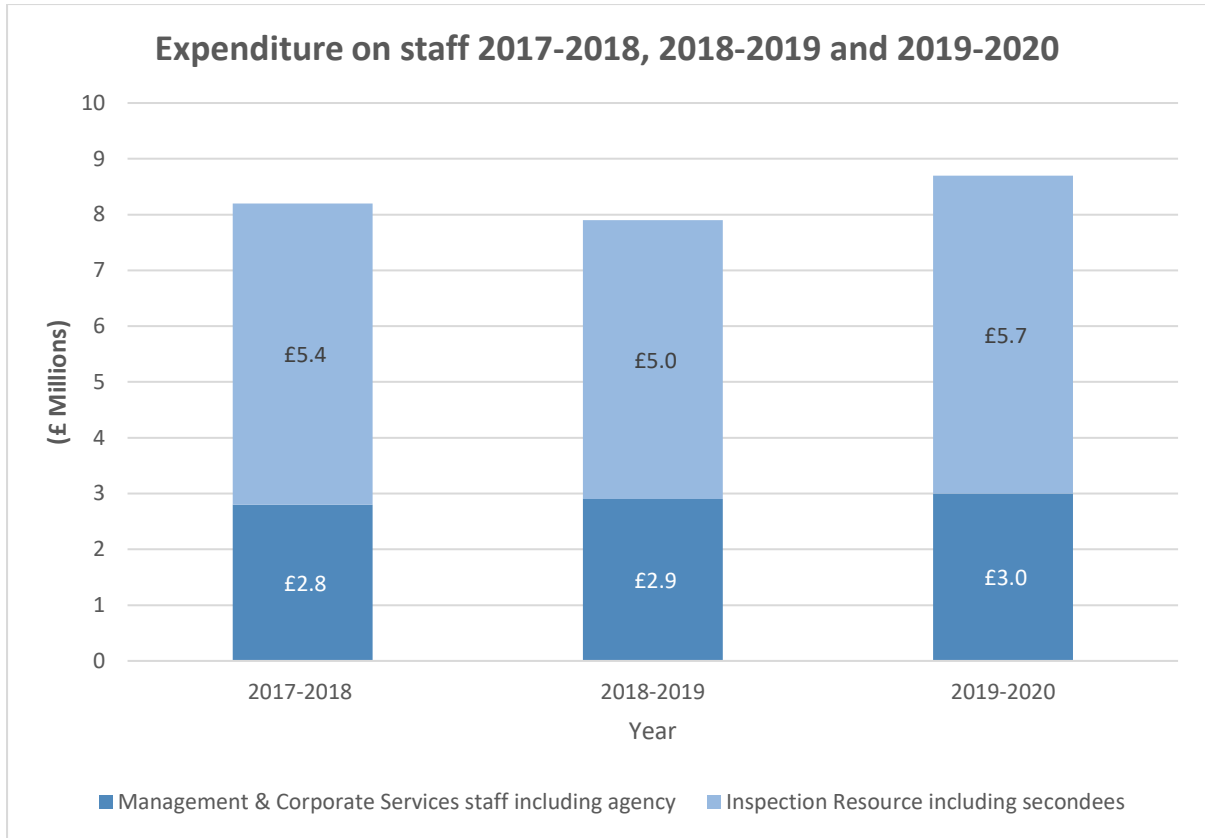
During 2020-2021, we will receive funding from the Welsh Government to meet our liabilities in line with the 'going-concern' basis adopted in the preparation of these financial statements. No losses or special payments have been incurred in 2019-2020 and there were no early departure costs. Our budgeted expenditure for future years is determined by Welsh Government and any long-term expenditure trends will be impacted by the increase or decrease in the funding available to us. The medium to long term impact of COVID-19 on our activities and on public finances in general creates considerable uncertainty at present.





Total expenditure (revenue and capital) by budget headings for 2019-2020





Delivery Principle 2:

Work collaboratively with inspectorates and other stakeholders to support improvement

Joint working with Inspection Wales bodies

We continued to ensure that our joint and collaborative working is guided by the common vision and purpose agreed between the four inspection, audit and regulatory (IAR) bodies in Wales through Inspection Wales. These bodies are Estyn, Audit Wales, Care Inspectorate Wales (CIW) and Health Inspectorate Wales (HIW).

Building on our established joint inspections of non-maintained settings, we continued to work with CIW in 2019-2020 to explore how we can develop joint inspection activity for independent and special schools and colleges that have residential provision, using experience of the inspection work we already do for the secure children's home. We carried out a pilot of a joint inspection of an independent school with CIW in June 2019, but this piece of work has now been delayed as a result of COVID-19. We also worked collaboratively with CIW on their national thematic review of children's homes.

During 2019-2020, we carried out risk workshops across all Wales' local authorities. These workshops are led by Audit Wales and involve Estyn and CIW. We participated in pre-meetings with Inspection Wales colleagues to share the main messages and feed back the main risks and assurances to each local authority's senior leaders. In some local authorities, relevant elected members also attend.

Here is a link to the website for [Inspection Wales](#) and a blog which features regular updates on the programme of joint working.

Other areas of joint working

In May 2019, we exhibited jointly at the Eisteddfod yr Urdd for the third time with the Education Workforce Council and Qualifications Wales, and the National Academy for Educational Leadership, who joined us for the first time.



In July 2019, we attended the Royal Welsh Show. We exhibited jointly as 'Inspection Wales' with our partners: Audit Wales HIW, and CIW.



We have been working with other inspectorates and regulators (Her Majesty's Inspectorate of Probation, HIW, CIW and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services) to develop and pilot arrangements for an integrated inspection approach to evaluate the effectiveness of child protection arrangements through joint working in a local area. A framework for this work is currently being developed, including child protection training. A pilot inspection, led by CIW, took place in Newport in December 2019 with further joint inspections planned for 2020-2021.

We continue to work collaboratively with Her Majesty's Inspectorate of Prisons on joint inspection of prison establishments. Both HMI and additional inspectors joined the inspection of HMP Parc, both for the adult provision and the youth offenders institution in November 2019.

We take part in full joint inspections of youth offending teams led by HMI of Probation. HMI joined the Her Majesty's Inspectorate of Probation team inspecting Cardiff's youth offending team provision in February 2020.

We continue to work with other inspectorates and quality assurance bodies to develop joint working arrangements. This includes regular meetings to share practice and discuss quality assurance and inspection matters across the home nations. There was no take-up from HMI from other home nation inspectorates to join our post-16 inspections in 2019-2020.

We engaged, through attending meetings, fora, and other communication channels with a representative body of each sector that we inspect.

PI19b

We met all requests from IAR bodies and other national educational organisations for joint work within our remit.

PI19a

Learning together with organisations within Wales and our international partners

Each year we share practice and work collaboratively with a range of government organisations, inspectorates and other bodies involved in education inside and outside of Wales in order to develop our view of education systems across the United Kingdom and the world. Such joint work also progresses our own approaches to inspection and thematic working, supports our advice to the Welsh Government, and supports the implementation of government policy.

We also work informally with the Education Workforce Council, Qualifications Wales, the Wales Centre for Public Policy, and the Welsh Government's Knowledge and Analytical Services to share practice and information.

As part of our commitment to support improvement by working collaboratively with our peers internationally, in 2019 we further strengthened our engagement with the Standing International Conference of Inspectorates (SICI), which consists of 37 inspectorates. In September 2019, we shared practice with members on recent innovations in inspection practice. The role of the peer inspector in Estyn inspections was considered innovative and gained a lot of interest from other inspectorates. Understanding the different organisation and approaches of other inspectorates is always illuminating. In March 2020, members shared their processes for quality assuring the validity and consistency of judgements. It was noted that evaluations can have a big impact on school boards, governors, school leaders and teachers, as well as on learners. Coming to a judgement or evaluation is also one of the most challenging parts of the work of inspectors and must meet high-quality standards to ensure that it is reliable and fair so that schools are treated equally.

In 2019- 2020, we continued our work with SICI and six other inspectorates and education providers across Europe in a two and a half year multi-national Erasmus+ grant-funded project, BIBESOIN (Better Inspection for Better Social Inclusion). The focus of the project is on how effectively our different inspection practices evaluate schools' approaches to addressing social disadvantage. We held a three-day training event for 15 inspectors and other education professionals from abroad on Estyn's approach of evaluating schools' provision for addressing disadvantage arising out of poverty and additional learning needs based on its impact. The training programme included visits to schools to try out Estyn inspection methodologies followed by reflection and discussion of the strengths and limitations of methods used by Estyn and those of other inspectorates to evaluate and influence practice and policy on addressing disadvantage. Since October 2019, we have been working closely with colleagues in Flanders and France to develop a common framework for inspection, self-evaluation and policy development in this area. This will include a collation of linked evaluation tools from the project partners. The framework and tools will be made available online in 2021.

As in previous years, in 2019-2020, we shared practice across a range of sectors with our partner inspectorates in the United Kingdom and the Republic of Ireland. This year we have shared our work on engaging with schools during the transition year and looked at, for example, the Republic of Ireland's approaches to inspection of early learning and care services; how they show empathy and emotional

intelligence in dealing with poor practice sensitively and quality assure reports to promote the buy-in of leaders and practitioners.

Since April 2020, our joint and international partnership working has focused predominantly on sharing approaches to navigating the challenges to education ministries, inspection bodies and schools arising out of the COVID-19 pandemic and approaches taken by them to manage wellbeing and the delivery of learning in education systems as a whole. For example, post-16 meetings in Spring 2020 have focused on the immediate impact of the COVID-19 pandemic on education and training across the UK and the focal points of their immediate responses.

Two further collaborative projects associated with the 'A Learning Inspectorate' change programme are the National Evaluation and Improvement Resource and our work to strengthen stakeholder engagement and overall communications.

National Evaluation and Improvement Resource

Welsh Government has been leading on the development of the National Evaluation and Improvement Resource (NEIR) with our support.

Before schools closed for most pupils on 20 March 2020, we were in phase two of the project – piloting the resource in selected schools. School-based piloting has now been paused due to COVID-19 and the project team have been working to complete some of the background tasks including adapting the HwB website (see link to [HwB page](#)), developing an animation and amending prompts so that when we resume school-based piloting we will have the resources needed to progress this work quickly.

We have also worked with Welsh Government to strengthen the link between the professional learning journey website developed by Welsh Government (to support the professional learning of teachers and leaders) and the NEIR platform. This will enable us to share resources efficiently and to avoid the duplication of work.

Schools were given additional funding to develop resources to help them with this work. The development of these resources has not been completed due to the current pandemic. It is anticipated that schools may be able to re-start this work in January 2021. These resources would then be available to other schools once the pilot phase was completed.

Strengthening stakeholder engagement and overall communications

Our new [Stakeholder Engagement Strategy](#) developed with our stakeholders during 2019-2020, was published in May 2020 and reflected the impact of COVID-19.

We have developed a three-year consultation programme to support the delivery of our transition plan. In summer 2019, we conducted a public consultation on our proposed transition year during the 2020-2021 academic year. The [Report on the first consultation](#) is being used to help plan our activities during the proposed transition year. We launched a second nationwide, public consultation about future inspection arrangements in the autumn term 2019. An analysis of the outcome of our [autumn 2019 phase 2 consultation](#), also published, will inform the development

of inspection arrangements for piloting in 2020-2021. This consultation included a youth version and a hard to reach/hear project to give all those who have an interest in our work an opportunity to comment on how our services are provided. The phase 3 consultation date is to be confirmed.

Section 2 The Accountability Report



2.1 Corporate governance report

The Directors report

An **Executive Board**, comprised of executive members ([HMCI](#) and [strategic directors](#)), supports and assists HMCI in leading and managing Estyn corporately and has one sub-committee; the **Inspection and Policy Advice Committee** which is attended by HMCI and all Estyn directors, and supports HMCI in leading and managing Estyn's inspection and policy advice work.

A **Strategy Board (the Board)**, consisting of executive members and non-executive members ([non-executive directors](#)), sets and monitors our strategic agenda. The Strategy Board is chaired by a non-executive member and has two sub-committees, also chaired by non-executive members; the **Audit and Risk Assurance Committee** and the **Remuneration Committee**. A full record of [Strategy Board / Committee membership and attendance](#) can be found on our website.

Significant interests held by members

We maintain [a register of interest](#) for Board members. Declarations are also made by all permanent employees, secondees and temporary staff in line with our [managing potential conflicts of interest policy](#).

No member of the Board holds directorship or other significant interests that might conflict with their management responsibility.

Personal data related incidents

There have been no personal data related incidents to report to the Information Commissioner's Office during the year. Staff completed mandatory training on their role in protecting information and on compliance with the General Data Protection Regulations (GDPR) 2016.

In line with good practice, we have a board level officer designated as Senior Information Risk Owner and a designated Data Protection Officer who is responsible for Estyn's information charter.

Throughout 2019-2020, our Information Governance Group monitored and reviewed information governance arrangements across the organisation and provided oversight of compliance with policies and assurance processes within our [information governance framework](#).

Payment policy

In 2019-2020, we worked to achieve compliance with our responsibilities under the Late Payment of Commercial Debts (Interest) Act 1998 to pay undisputed suppliers' invoices within 30 days of receipt of goods or services or valid invoice, whichever is the later. This policy is stated in the Terms and Conditions covering Estyn Contracts. Estyn paid 95% of undisputed invoices within 10 days and all undisputed invoices within 30 days.

All undisputed invoices were paid within 30 days
(against a target of 100%)

PI15a

95% of undisputed invoices were paid within 10
days (against a target of 95%).

PI15b

Statement of accounting officer's responsibilities

Under Schedule 6, paragraph 5(2) of the Government of Wales Act 1998, HM Treasury has directed Estyn to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by Estyn during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Estyn and of its net resource outturn, financial position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of 'Government Financial Reporting Manual' and in particular to:

- observe the Accounts Direction issued by HM Treasury in accordance with paragraph 5(2) of Schedule 6 to the Government of Wales Act 1998, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the 'Government Financial Reporting Manual', have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a 'going-concern' basis

The Treasury has appointed Her Majesty's Chief Inspector of Education and Training in Wales as Accounting Officer of Estyn. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping of proper records and for safeguarding Estyn's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in Government Accounting (The Stationery Office).

As Accounting Officer, I can confirm that:

- as far as I am aware, there is no relevant audit information of which the Estyn'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 and to establish that the Estyn's auditors are aware of that information
- these annual report and accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable

The governance statement

Introduction

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Estyn's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

In discharging this overall responsibility, I have maintained proper arrangements for the governance of Estyn's affairs. We have a sound system of internal control that facilitates the effective exercise of Estyn's functions and includes arrangements for the management of risk. The principles of **The Corporate governance in central government departments: Code of Good Practice 2017 (The Code)**, within the context of Estyn's circumstances as a non-ministerial department, are reflected in our governance arrangements.

This annual governance statement outlines how we maintain good governance and explains the main challenges facing the organisation and how these are being managed.

The governance framework

I have established a governance framework that describes the systems, processes, culture and values by which Estyn is directed and controlled and by which we monitor the achievement of our strategic objectives and engagement with our stakeholders. Our corporate governance framework is published on our website. The diagram at the end of this statement succinctly illustrates the range and level of assurances that underpin our governance arrangements. A clear statement of our purpose and vision is set out on our website and in our Annual Plan. The Annual Plan outlines our overarching vision and sets out its principal aims and objectives. Information on our performance and delivery against the Annual Plan is also published on our website.

Oversight of Estyn is exercised through the Strategy Board and its sub-committees (Audit and Risk Assurance Committee and Remuneration Committee). During 2019-2020, the Strategy Board and the Audit and Risk Assurance Committee (ARAC) met on a quarterly basis; all ARAC meetings were attended in full by all members.

The Strategy Board has received sound external advice on strategic matters and risk management as part of the non-executive director role to provide challenge and support to our executive. Some of the key areas of review and discussion by the Strategy Board during 2019-2020 included:

- Our Annual Plan, incorporating monitoring of performance against strategic objectives and targets (performance indicators)
- HMCI's Annual Report
- Continuing support for education reform in Wales, including curriculum reform
- Development of options for future inspection arrangements and other actions in relation to recommendations in the independent review of Estyn '[A Learning Inspectorate](#)'

Each meeting concludes with a self-evaluation of the effectiveness of the meeting; non-executive directors have confirmed they are content with proceedings and the quality of information presented and discussed at meetings, that they have appropriate input to agenda and have sufficient opportunity to raise any concerns. The Strategy Board is satisfied that our whistleblowing arrangements are effective; no whistleblowing cases were raised in 2019-2020.

We liaise with Welsh Government on matters of financial management and accountability is managed through an Accounting Officer Agreement between HMCI and the Additional Accounting Officer designated by Welsh Government, Andrew Goodall, Director General and Chief Executive Officer of NHS Wales. This link governance arrangement helps maintain our independence in training and education matters, although close links with Welsh Government's Department of Education and Department of Skills Higher Education and Lifelong Learning continue to support a strategic and coherent approach on key matters such as development of thematic reviews, support for education reform and other advisory work. Non-executive directors liaised with Helen Arthur, Director of Workforce and Organisational Development (Health and Social Services Group), whose role is to represent Mr. Goodall in his role as Estyn's Additional Accounting Officer within Welsh Government.

Audit and impact

An annual report of the Chair of the Audit Risk and Assurance Committee (ARAC) is published on our website; the report highlights the key work undertaken during the year and comments on the internal audit reviews undertaken and reported to the committee. The Chair's report for 2019-2020 provides assurances on the quality of audit work and the effectiveness of the committee; the committee is satisfied that our arrangements for governance and risk management were appropriate throughout 2019-2020.

Following a competitive tendering process, RSM were re-appointed to provide our internal audit service. In awarding the contract a new approach to audit work, which would include jointly-working to produce assurance maps for specific Estyn activities, was agreed with RSM; these assurance mapping reports have helped to further embed good practices for risk identification and management processes.

The ARAC approved the annual programme of audits for 2019-2020, continuing to use a risk-based approach to establish areas of coverage within a rolling three-year audit programme agreed with RSM. Progress against the audit plan was monitored and at the year-end an annual report of the Internal Auditor was considered. This report advised on the work undertaken during the year and furnished an overall view on the internal control environment for consideration by members of the ARAC. The outcome from the internal audit coverage informed the Head of Internal Audit's opinion on the overall adequacy of Estyn's internal control framework; *'the organisation has an adequate and effective framework for risk management, governance and internal control'*. Work completed by Estyn's internal auditors during 2019-2020 resulted in reports that included an independent opinion on the adequacy and effectiveness of the system of internal control together with recommendations for improvement – the annual internal audit report stated *'From the findings of our work performed during 2019/20, there were no significant issues arising that*

impacted our overall opinion for the year and we would therefore recommend that this is reflected in the Annual Governance Statement. All internal audit assurance reports were reviewed and the main issues arising discussed by the ARAC, which was satisfied that all management actions had been implemented or were being actioned.

Table 1
2019-2020 internal audit programme

| Internal audit area | Assurance level | Number of enhancement actions agreed by management | | | |
|-------------------------------------------------|--------------------|----------------------------------------------------|-----------------|--------------|----------|
| | | High priority | Medium priority | Low priority | Total |
| 1 Travel and subsistence * | Substantial | | | 1 | 1 |
| 2 Assurance mapping – Inspection administration | Advisory | | | | |
| 3 Assurance mapping – planning and deployment | Advisory | | | | |
| 4 Assets and inventory | Substantial | | | 2 | 2 |
| 5 Key financial controls | Substantial | | | 5 | 5 |
| 6 Spot checks and recommendation tracking | Good progress made | | | | |
| Totals | | 0 | 0 | 8 | 8 |

* Audit work undertaken in 2018-2019 and reported in 2019-2020

Estyn's Remuneration Committee met (with all members in attendance) during 2019-2020 and considered the review of Strategic Directors' performance undertaken by HMCI. Committee members also provided advice to HMCI regarding pay levels and allowances for Estyn staff.

As in previous years, Estyn has ensured compliance with Managing Welsh Public Money and Welsh Dear Accounting Officer (DAO) letters. We obtained appropriate assurances and evidence to confirm that the tax obligations of off-(Estyn) payroll staff were duly met, i.e. for all individuals seconded to Additional Inspector posts during 2019-2020 and for a small number of temporary administrative staff through an employment agency. During 2019-2020, we did not use any form of confidentiality agreement with its employees and workers.

We work closely with Welsh Government but maintain our status as an independent body; as a non-ministerial department Estyn is not subject to Ministerial Directions.

We maintain a register of interest for Strategy Board members, published on our website. No member of the Strategy Board held directorships or other significant interests that conflicted with their Estyn responsibilities. A Register of Interest and Gifts and Hospitality Register is maintained for all permanent employees, secondees and temporary staff.

The above assurance areas were covered within an assurance statement presented at each meeting of the Audit and Risk Assurance Committee by the Corporate

Services Director. Other areas covered within the statement included updates on fraud and information security, tracking against performance indicators, and financial issues with potential impact on the annual accounts.

Managing risk

Our risk-management system is based on an ongoing process designed to identify and prioritise the risks to the achievement of Estyn's aims and objectives, and to evaluate the likelihood of these risks being realised and the impact should they be realised. For 2019-2020, risk registers continued to be maintained at a strategic level by the Executive Board (and further reviewed at Strategy Board), at a corporate level by our Directors Group and at operational levels by working groups, functional teams and project teams. Each risk has an individual owner responsible for detailing and recording the controls in place and further actions planned to mitigate the risk; there is also an escalation process in place to raise risks to a higher level of management. A requirement for risk owners to provide assurance and evidence that key controls for managing risks are in place and are working effectively forms part of the overall risk management process.

In March 2020, a new set of risks emerged due to COVID-19. All our staff moved to home working and processes were quickly put in place to assess and manage related risks, for example risks to physical and mental wellbeing of staff, information security risks, an increased risk of fraud and a potential lessening of good governance. We maintained our decision-making structures and quickly established supplementary arrangements, such as daily senior management meetings and new communication processes, following all relevant government guidance. The first key decision, made in consultation with Welsh Government, was to suspend inspections from 16 March 2020. This obviously impacted our planned number of inspections for the year, as reported in the Performance Report section; the longer term impact on our ability to meet statutory inspection timescales is being covered through our ongoing risk management arrangements.

The majority of the cancelled inspections for the latter weeks of March 2020 were due to be led by contracted registered inspectors; legal advice was sought, with reference to Procurement Policy Notes and requirements of Managing Welsh Public Money prior to cancellation fees totalling £14k being paid to external inspectors. Estyn informed Welsh Government's Public Bodies Unit (PBU) that Cabinet Office had issued Procurement Policy Notes (PPNs) in relation to COVID-19 payments; PBU subsequently issued guidance to Welsh public bodies to adopt Cabinet Office PPNs; we have continued to follow this guidance.

All components of our governance structure continue to work effectively; an update on arrangements was provided to our ARAC in the May 2020 meeting, along with the regular review of our financial risk register.

Annual assurance statements for 2019-2020 completed by all Estyn directors provided confirmation that there were no major concerns and that action had been taken where minor issues of control had been identified; there are no reportable breaches of security and no reportable losses of personal data in 2019-2020. We received an assurance from the Welsh Government in respect of the payroll and human resources services it provides to us under a formal service level agreement.

Managing our budget to deliver the priorities in the strategic three-year plan



Our three-year strategic plan is rebuilt annually and regularly refined in light of developments; the planned Comprehensive Spending Review has been delayed and there is uncertainty over the implications for our future funding that might result from pressures on public finances arising from the COVID-19 pandemic.

Executive Board and Strategy Board review approaches to emerging budget scenarios and assess options and evaluate impact ahead of dialogue with Welsh Government.

Ensuring that we have the people resource to deliver our plan



Detailed work planning informs future inspection resource requirements.

Flexible resource models are used, including contracted Additional Inspectors.

Ensuring the quality of our work



We use experienced inspectors to monitor a proportion of inspections, as well as to quality assure and proofread every inspection report published.

Our internal audit programme is focused on key risk areas and provides assurances against key processes and systems.

Maximising our impact on policy making



Our directors have strong links with relevant contacts in Welsh Government departments and meet with them as appropriate. Discussions focus on matters such as planned education and legislation changes and identifying opportunities for Estyn to inform policy.

Links with WG Knowledge and Analytical Services (KAS) and Wales Centre for Public Policy (WCPP) ensure that we are sighted of commissioned reviews and publications.

Maintaining public and professional respect for Estyn



We keep open channels of communication with key stakeholders such as Ministers and Welsh Government, Welsh Local Government Association, Local Authorities, regional consortia and teacher unions.

We have communications and stakeholder engagement strategies to ensure that stakeholders, including professionals and the public, are aware of Estyn's work and publications. We adapt the focus and methods of communication to prevailing circumstances and they are currently customised to meet the challenges relating to COVID-19.

Stretching resources to deliver our core statutory functions and maintain support for the wide range of education reforms in Wales remained a key challenge for us. Grant funding from the Welsh Government enabled us to maintain inspector numbers, but securing and developing resources with the necessary knowledge and experience, for example in the area of Additional Learning Needs (ALN), continues to pose challenges. Of course, at the year-end, Covid-19 created a whole range of new challenges for Estyn and the education system in Wales, and indeed worldwide.

Significant governance issues

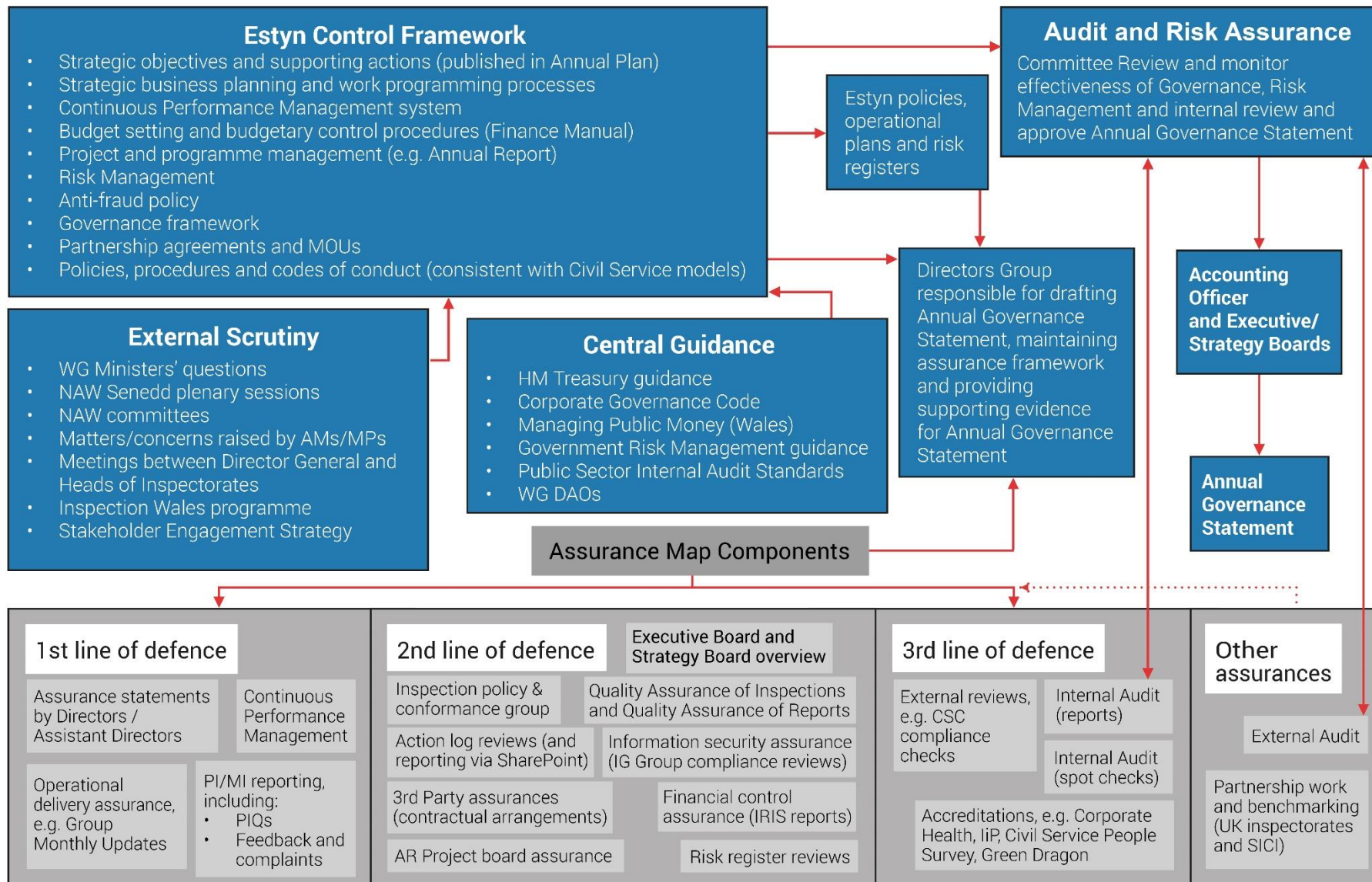
No significant issues have been identified during the year in relation to our overall governance framework. Internal audit reviews covered substantial areas of our business and it is pleasing to report that there were no significant areas of control weaknesses identified and only low level recommendations that required management action.

I am delighted that we have maintained our high levels of staff engagement and that colleagues demonstrate commitment to our values and the civil service code. Our quarterly reporting to ARAC on a wide range of assurance matters, including a review of financial management and reporting during COVID-19, helps to keep good governance high on our agenda. We will ensure that good governance is embedded in all our future work as 'A learning inspectorate'.

Meilyr Rowlands

Her Majesty's Chief Inspector of Education and Training in Wales and Accounting Officer
14th July 2020

Our assurance and scrutiny framework



2.2 Remuneration and staff report

The remuneration of Her Majesty's Chief Inspector of Education and Training in Wales is determined by Senedd Cymru under paragraph 3 of Schedule 2 to the Education Act 2005.

For other permanent senior staff members of the Board, remuneration was determined by Estyn's Remuneration Committee comprising the Chief Inspector of Education and Training in Wales and three non-executive directors, in accordance with Cabinet Office guidance on Senior Civil Service (SCS) remuneration.

In reaching its recommendations, the Estyn Remuneration Committee has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- benchmarking information available from Cabinet Office and other Government departments, including those closest to Estyn in location and work type
- the funds available to the department and the advice available annually from the Welsh Government
- government policies for improving public service delivery and the role of performance management in securing and recognising value to the organisation and rewarding contributions to business and corporate objectives

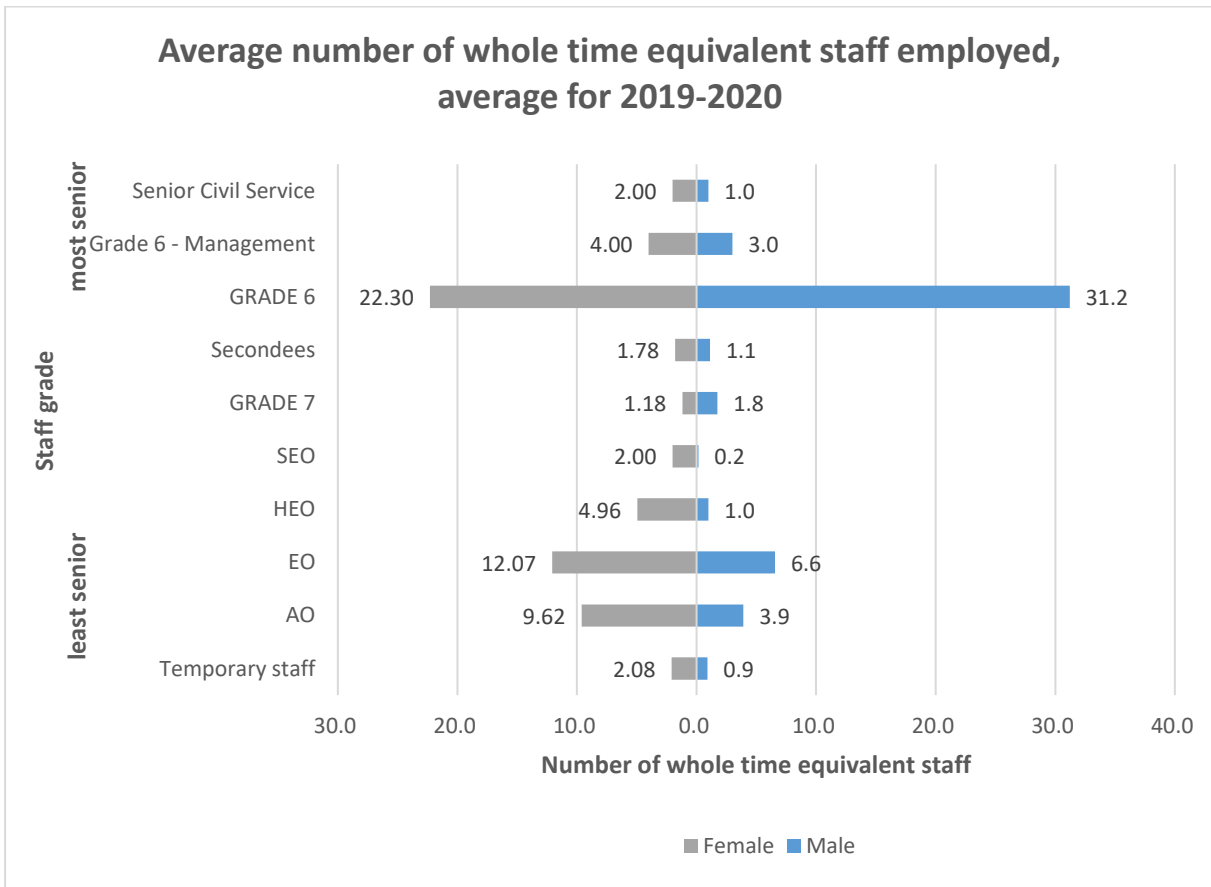
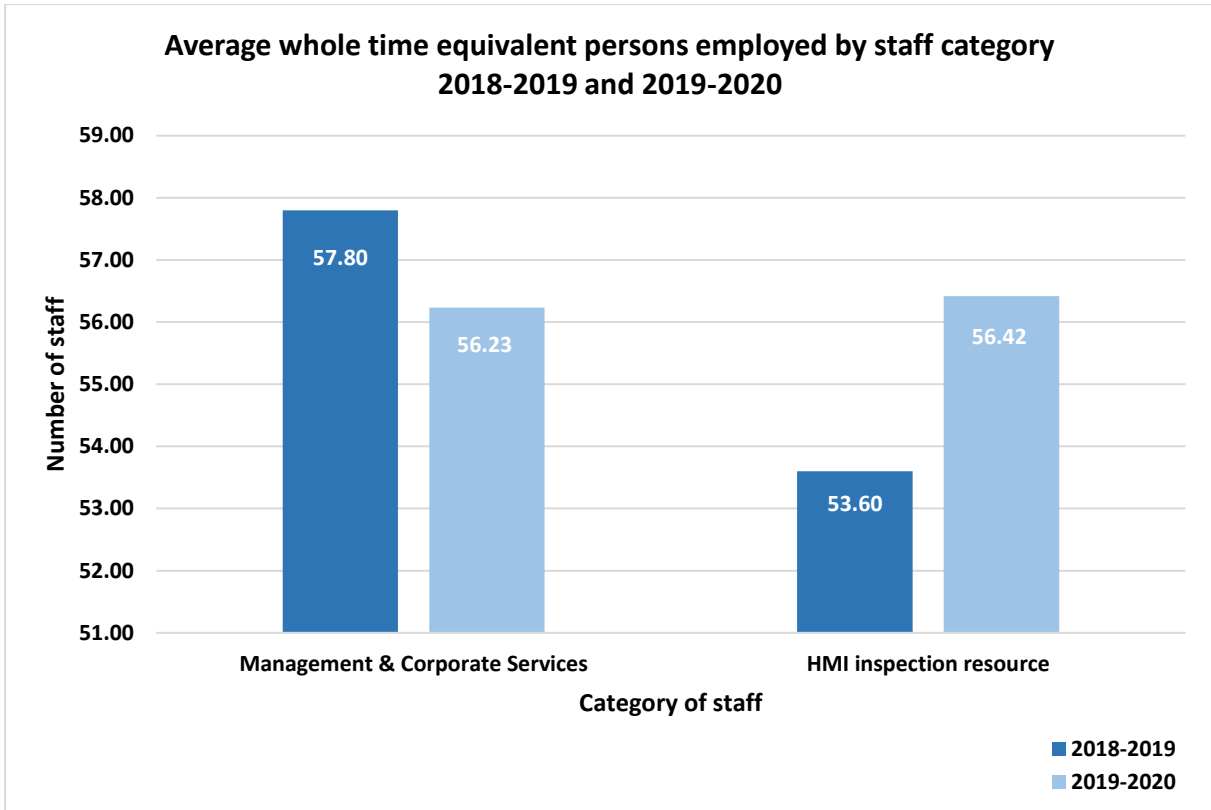
The Estyn Remuneration Committee takes account of the evidence available in respect of wider economic considerations and the affordability of its recommendations.

In agreeing pay awards for individual staff, the Estyn Remuneration Committee takes particular regard of the following criteria:

- the individual's growth in competency
- challenge associated with the job
- confidence in the individual's future performance

No SCS staff bonuses were paid in 2019-2020.

In line with the pay award for Welsh Government SCS officials (1st April 2019) Estyn SCS Band 1 officials were awarded a consolidated pay uplift of 2% effective from 1st April 2019.



The average number of whole-time equivalent persons employed (including senior management) during the year was as follows:

| Year | Permanently employed staff | Other ^[1] | Total staff |
|-----------|----------------------------|----------------------|-------------|
| 2019-2020 | 106.73 | 5.91 | 112.64 |
| 2018-2019 | 106.0 | 5.4 | 111.4 |

Staff sickness rates are as follows:

| Headline staff measures | | |
|-----------------------------------------------|-----------|-----------|
| Measure | 2019-2020 | 2018-2019 |
| Sickness absence rate | 2.6% | 2.8% |
| Proportion of staff accruing sickness absence | 49.2% | 49.6% |
| Average working days lost per employee | 5.6 | 6 |
| Average length of absence | 6.1 | 7.2 |
| Sickness absence occurrences (new) | 112 | 103 |

Total sickness rate of 2.6% against a target of <4%

49% of absence was due to long term sickness

- 12% of all days were due to mental health and 11% of all days were lost to cancer. Estyn is committed to supporting mental health and wellbeing and employees diagnosed with cancer.

PI11

Actions taken to promote health and wellbeing included:

- annual health checks for staff
- early referrals to occupational health services
- provision of face to face counselling through the Employee Assistance Programme
- promotion of health activities and awareness information
- training for directors on how to recognise issues and support mental wellbeing of colleagues
- supporting employees who have been diagnosed with a terminal illness

^[1] Other staff refers to secondees, fixed-term contract staff and agency staff.

Service contracts

Civil Service appointments are made in accordance with the Civil Service Commission's Recruitment Principles. The Principles require appointments to be on merit on the basis of fair and open competition but also include the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The rules of appointment are set out in the Civil Service Management Code. Further information about the work of the Civil Service Commission can be found at: <http://civilservicecommission.independent.gov.uk/>

Remuneration (including salary), benefits and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials (i.e. Board members) of Estyn.

| Remuneration (salary, benefits in kind and pensions) ⁴ | | | | | | | | | | |
|--------------------------------------------------------------------------------|--------------------|--------------------------------------------|------------------------------------|-------------------------------------------------|-----------------|--------------------|--------------------------------------------|------------------------------------|------------------------------------|-----------------|
| | 2019-2020 | | | | | 2018-2019 | | | | |
| | Salary £000's | Non-Consolidated Performance Pay £000's | Benefits in kind (to nearest £100) | Pension benefits to nearest £1,000 ⁵ | Total £000's | Salary £000's | Non-Consolidated Performance Pay £000's | Benefits in kind (to nearest £100) | Pension benefits to nearest £1,000 | Total £000's |
| Meilyr Rowlands Her Majesty's Chief Inspector of Education & Training in Wales | 110-115 | - | - | 29+ | 135 - 140 | 110-115 | - | - | (7) | 105-110 |
| Simon Brown ⁶ Strategic Director | - | - | - | - | - | 30-35 | - | - | 29 | 60-65 |
| Claire Morgan Strategic Director | 85 - 90 | - | - | 34 | 115 - 120 | 85-90 | - | - | 34 | 120-125 |
| Jassa Scott ⁷ Strategic Director | 85 - 90 | - | - | 55 | 140 - 145 | 50-55 | - | - | 41 | 90 - 95 |
| Phillip Sweeney ⁸ Corporate Services Director | 75 - 80 | - | - | 31 | 105-110 | 45-50 | - | - | 4 | 45-50 |
| Band of Highest Paid Director's Total Salary | 110-115 | | | | | 110-115 | | | | |
| Median total | £72,905 | | | | | £66,650 | | | | |
| Ratio using the mid- point of salary band | 1.54 | | | | | 1.69 | | | | |
| Range of staff remuneration | £20,000 - £114,475 | | | | | £20,870 - £112,475 | | | | |

⁴ Audited

⁵ The value of pension benefits accrued during the year is calculated as (the real increase in pension x 20) + (the real increase in any lump sum) – (contributions made by the individual)

⁶ Strategic Director until August 31st 2018

⁷ Strategic Director from September 1st 2018

⁸ Reporting to HMCI from September 1st 2018.

| Pension entitlements for senior managers ⁹ | | | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------|------------------------|--------------------------------------------------|-------------------------------------------------------------------|
| Officials | Accrued pension at pension age as at 31/3/20 and related lump sum £000's | Real increase/ (decrease) in pension and related lump sum at pension age £000's | CETV at 31/3/20 £000's | CETV at 31/3/19 £000's | Real increase/ (decrease) in CETV in CETV £000's | Employer contribution to partnership pension account nearest £100 |
| Meilyr Rowlands Her Majesty's Chief Inspector of Education & Training in Wales | 55 – 60 plus lump sum of 175 - 180 | 0 – 2.5 plus lump sum of 2.5 - 5 | 1,392 | 1,361 | 29 | - |
| Claire Morgan Strategic Director | 20 – 25 plus lump sum of 0 | 0 – 2.5 plus lump sum of 0 | 350 | 308 | 21 | - |
| Jassa Scott Strategic Director | 25-30 plus lump sum of 0 | 2.5 - 5 plus lump sum of 0 | 382 | 333 | 30 | - |
| Phillip Sweeney Corporate Services Director | 20 -25 plus lump sum of 0 | 0 – 2.5 plus lump sum of 0 | 421 | 369 | 32 | - |

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by Estyn and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by Estyn and treated by HM Revenue and Customs as a taxable emolument.

⁹ audited

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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 in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. 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. The employee does not have to contribute, but where they do

make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% 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 the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website 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 particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which 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 which may be due when pension benefits are taken.

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, 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

Exit Package: Reporting of Civil Service and other compensation schemes – exit packages

There were no compensation schemes – exit packages in 2019-2020 (0 in 2018-2019)

Meilyr Rowlands

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer

14th July 2020

2.3 Audit report

2.3.1 The Certificate and independent auditor's report of the Auditor General for Wales to Senedd Cymru

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Estyn: Her Majesty's Inspectorate of Education and Training in Wales for the year ended 31 March 2020 under the Government of Wales Act 1998. These comprise the Statement on Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union/United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In my opinion the financial statements:

- give a true and fair view of the state of Estyn's affairs as at 31 March 2020 and of its net expenditure and application of resources, for the year then ended; and
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 1998.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

Legislation and directions issued to Estyn do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the annual report and financial statements. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

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

Report on other requirements

Opinion on other matters

As legislation and directions issued to Estyn do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Annual Report has been properly prepared.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report is consistent with the financial statements. Although there are no legislative requirements for a Remuneration Report, Estyn has prepared such a report and, in my opinion, that part ordinarily required to be audited has been prepared in accordance with HM Treasury guidance.

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

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with HM Treasury guidance;
- the information given in the Annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in Annual report provided with the financial statements or the Governance Statement.

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

- proper accounting records have not been kept;

- the financial statements and the part of the Remuneration Report ordinarily required to be audited are not in agreement with the accounting records and returns;
- information specified by HM Treasury/Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

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 preparing the financial statements in accordance with the Government of Wales Act 1998 and HM Treasury directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body'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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

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

Adrian Crompton
Auditor General for Wales
15 July 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Section 3

Financial statements



3.1 Statement of comprehensive net expenditure for the year ended 31st March 2020

| | 2019-2020 | | | | 2018-2019 |
|-------------------------------------------|-----------|---------------|----------------|----------------------------------------------------------|----------------------|
| | Note | Budget | Actual Outturn | Net Total Outturn compared with Estimate (saving)/excess | Prior Year Outturn |
| Resources: | | £000's | £000's | £000's | £000's ¹⁰ |
| Staff costs | 3 | 8,891 | 8,811 | (80) | 7,907 |
| Depreciation | 6a & b | 200 | 146 | (54) | 128 |
| Other costs | 4 | 2,810 | 2,955 | 145 | 2,988 |
| Gross operating costs | | 11,901 | 11,912 | 11 | 11,023 |
| Operating ¹¹ income | 5 | - | (11) | (11) | (15) |
| Operating Expenditure for the Year | | 11,901 | 11,901 | - | 11,008 |

Net expenditure is reported as a single segment in line within [Annual Plan 2019-2020](#).

Budget figures are stated as within Estyn's Annual Plan 2019-2020.

The notes on pages 75 to 87 form part of these accounts.

¹⁰ Restated to show operating expenditure for the year, unadjusted for Welsh Government grant funding. See further detail in note 18.

¹¹ Includes £10k contribution to project costs from Erasmus

3.2 Statement of financial position as at 31st March 2020

| Non-current assets | Note | 2019-2020 | | 2018-2019 | |
|----------------------------------------------|-------------------|------------------|----------------|------------------|----------------|
| | | £'000's | £'000's | £'000's | £'000's |
| Property, plant and equipment | 6a & b | 268 | | 150 | |
| Total non-current assets | | | 268 | | 150 |
| Current assets | | | | | |
| Trade and other receivables | 8 | 335 | | 393 | |
| Cash and cash equivalents | 9 | 1,273 | | 818 | |
| Total current assets | | | 1,608 | | 1,211 |
| Total assets | | | 1,876 | | 1,361 |
| Current liabilities | | | | | |
| Trade and other payables | 10 a&b | (1,821) | | (1,160) | |
| Contribution received in advance | 10 c | (36) | | - | |
| Provisions within one year | 11 | (176) | | | |
| Total current liabilities | | | (2,033) | | (1,160) |
| Total assets less current liabilities | | | (157) | | 201 |
| Non-current liabilities | | | | | |
| Between two and five years | 11 | - | | (176) | |
| Assets less liabilities | | | (157) | | (176) |
| Taxpayers' equity: | | | (157) | | 25 |
| General Fund | | (157) | | 25 | |
| Total taxpayers' equity | | | (157) | | 25 |

3.3 Statement of cash flows for the year ended 31st March 2020

| | Note | 2019-2020 | 2018-2019 |
|--|-------------|------------------|------------------|
|--|-------------|------------------|------------------|

| | | £000's | £000's |
|------------------------------------------------------------------------------------------|--------|-----------------|-----------------|
| <u>Cash flow from operating activities</u> | | | |
| Net operating cost | | (11,901) | (11,008) |
| Adjustments for non-cash transactions: | | | |
| Depreciation | 6 | 146 | 128 |
| Other costs (provision) | 11 | - | 21 |
| Increase / (decrease) in trade and other payables | 10 a&b | 661 | 197 |
| Increase/ (decrease) in contributions received in advance | 10 c | 36 | |
| (Increase) / decrease in trade and other receivables | 8 | 58 | (280) |
| Less movements not passing through the Statement of Comprehensive Net Expenditure | | | |
| Use of VAT provision | | - | (59) |
| Capital creditors | 6 | (57) | (19) |
| Net cash outflow from operating activities | | (11,057) | (11,020) |
| <u>Cash flows from investing activities</u> | | | |
| Purchase of property, plant and equipment | 6 | (207) | (110) |
| Net cash flow from investing activities | | (207) | (110) |
| <u>Cash flows from financing activities</u> | | | |
| Net financing (from the Welsh Government) | | 11,719 | 11,075 |
| Net increase (decrease) in cash and cash equivalents | 9 | 455 | (55) |
| Cash and cash equivalents at the beginning of year | 9 | 818 | 873 |
| Cash and cash equivalents at the end of the year | 9 | 1,273 | 818 |

3.4 Statement of changes in taxpayers' equity for the year ended 31st March 2020

| | <u>2018-2019</u> |
|----------------------------------------------------------|------------------|
| <u>Statement of Change in Tax Payers' Equity</u> | <u>£000's</u> |
| Balance as at 31 March 2018 | (42) |
| Net operating cost for the year | (10,981) |
| Auditor's remuneration | (27) |
| Total recognised income and expense 2018-2019 | (11,008) |
| Net Welsh Government Funding | 11,075 |
| | 67 |
| Balance as at March 31st 2019 | 25 |
| <u>Changes in taxpayers equity 2019-2020</u> | |
| Net operating costs for the year | (11,874) |
| Auditor's remuneration | (27) |
| Total recognised income and expense for 2019-2020 | (11,901) |
| Net Welsh Government Funding | 11,719 |
| | (182) |
| Balance as at 31 March 2020 | (157) |

The notes on pages 75 to 87 form part of these accounts.

Meilyr Rowlands

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer

14th July 2020

3.5 Notes to the resource accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2019-2020 issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, Estyn has selected the policy it judged to be the most appropriate to its particular circumstances, for the purpose of giving a true and fair view. The particular accounting policies adopted by Estyn for 2019-2020 are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In consultation with HM Treasury and the Welsh Government, Estyn agreed a revised accounts direction in 2011-2012 which continues to be used.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets and intangible assets at their fair value. Expenditure on services, licences and subscriptions which straddle more than one financial year are treated as costs within the financial year that a payment is made, where the individual transaction does not exceed £1000.

1.2 Property, plant and equipment and Intangible assets

Expenditure is capitalised where the asset purchased is expected to have a useful life extending over a number of years and the cost of the item(s) exceeds £1,000. Fixed assets are shown at cost less an allowance for depreciation (see note 1.3 below). Given that no property is held, it is the opinion of Estyn, that there is no material difference between the historic net book value of the assets and their fair value.

1.3 Depreciation

Depreciation is provided at rates calculated to write off the value of fixed assets by equal instalments over their estimated useful lives. A full year's depreciation is charged in the year of acquisition of an asset. Lives are as follows:

- | | |
|------------------------|-----------|
| • IT Equipment | 3-5 years |
| • Furniture & Fittings | 5 years |
| • Office Equipment | 5 years |
| • IT Systems | 5 years |
| • Intangible Assets | 3 years |

Where an impairment of a tangible fixed asset has occurred the net impairment is charged to the Statement of Comprehensive Net Expenditure in the year in which it has occurred.

1.4 Provisions

Provisions are included in the accounts for liabilities that are likely or certain to arise but uncertain as to the amount or dates on which they will arise. Provisions are created or increased by making a charge to revenue expenditure in the year of creation. When the expenditure is actually incurred, the expenditure is charged directly to the provision. The provision included within these accounts are regarded as short term, within one year and medium term, between two and five years. All provisions are subject to annual review, to ensure they are still relevant and sufficient to fund the specific future liability.

The provision in the accounts is for the works required to restore the property back to its original condition prior to tenancy. This is a requirement of the lease agreement and the clause is activated when Estyn vacates the building.

1.5 Operating income

Operating income is income that relates directly to the operating activities of Estyn.

It principally comprises fees and charges for services provided and other miscellaneous income. HM Treasury has issued a receipts direction allowing Estyn to retain such receipts.

1.6 Staff costs and other costs

The Statement of Comprehensive Net Expenditure is analysed between Staff and Other costs incurred in the undertaking of Estyn's purpose. The Welsh Government provides Estyn with a single budget line for Revenue expenditure and a separate budget line for Depreciation. Estyn has discretion to allocate its revenue budget in accordance with its operational requirements. For transparency, 'Other costs' are reported in Note 4 against sub totals for Administration expenditure and Programme expenditure.

1.7 Value Added Tax

Most of Estyn's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.8 Pensions

Present and past employees are covered by the provisions of the Civil Service Pension Schemes, which are described in Note 3. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. Estyn recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, Estyn recognises the contributions payable for the year.

1.9 Early departure costs

Estyn is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. Estyn provides for this cost in full when the liability arises.

1.10 Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

1.11 Cash and Cash Equivalents

Cash and cash equivalent is solely composed of the balance held at Estyn's bank accounts.

1.12 Going Concern Concept

Estyn is expected to remain in existence for the foreseeable future and will receive funding from the Welsh Government to meet all of its current liabilities when they mature in the 2020-2021 financial year. It has accordingly been considered appropriate to adopt a 'going-concern' basis for the preparation of these financial statements.

2 Reconciliation of net resource outturn to net cash requirement against Welsh Government approved funding

| | Note | 2019-2020 | 2019-2020 | Outturn | 2018-2019 |
|--------------------------------------------------------------|------|---------------|---------------|------------------------------------------|---------------|
| | | Budget | Outturn | compared with estimate (saving) / excess | |
| | | £000's | £000's | £000's | £000's |
| Resource Outturn | | 11,901 | 11,901 | - | 11,075 |
| Capital Outturn | 6 | 281 | 264 | (17) | 129 |
| Accruals to cash adjustments: | | | | | |
| Adjustments to remove non-cash items: | | | | | |
| Depreciation | 6 | (200) | (146) | 54 | (128) |
| New provisions and adjustments to previous provisions | 11 | - | - | - | 59 |
| Adjustments to reflect movements in working balances: | | | | | |
| Increase/(decrease) in receivables | 8 | - | (58) | (58) | 280 |
| (Increase)/decrease in payables | 10 | - | (661) | (661) | (197) |
| (Increase)/ decrease in contributions received in advance | 10 | - | (36) | (36) | - |
| (Increase)/ decrease in provisions | 11 | - | - | - | (21) |
| Net cash requirement | | 11,982 | 11,264 | (718) | 11,197 |

3 Staff costs

| | Total 2019-2020 £000's | Permanently employed staff £000's | Others £000's | 2018-2019 £000's |
|----------------------------------|---------------------------|--------------------------------------|------------------|---------------------|
| Wages and salaries ¹² | 6,137 | 6,137 | | 5,850 |
| Social security costs | 700 | 700 | | 670 |
| Other pension costs | 1,698 | 1,698 | | 1,283 |
| Total net costs | 8,535 | 8,535 | | 7,803 |
| Plus: | | | | |
| Secondees in | 296 | | 296 | 243 |
| Secondees out | (142) | | (142) | (220) |
| Agency staff | 91 | | 91 | 49 |
| NEDs costs ¹³ | 16 | | 16 | 19 |
| Early departure costs –in-year | - | | - | - |
| Apprenticeship Levy | 15 | | 15 | 13 |
| Total | 8,811 | 8,535 | 276 | 7,907 |

| Payments to Non-Executive Directors for 2019-2020 | | |
|---------------------------------------------------|------------------------------|------------------------------|
| Name | 2019-2020 Total £000's | 2018-2019 Total £000's |
| R Alexander | 5 | 3 |
| J Fabian | 6 | 6 |
| A Thomas | 5 | 6 |
| R Tomos | - | 4 |
| Total | 16 | 19 |

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but (insert employer’s name) is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2019-2020, employers’ contributions of £1.698m were payable to the PCSPS (2018-2019 £1.283m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019-2020 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

¹² Includes -£35k contribution to administrative costs from CIW for joint inspections

¹³ Individual details in table below

4 Other costs

| Expenditure | 2019-2020 £000's | 2018-2019 £000's |
|----------------------------------------------------------|---------------------|---------------------|
| Rental under operating leases: accommodation | 125 | 125 |
| Other accommodation costs | 197 | 229 |
| IT & telecommunications | 613 | 713 |
| Welsh Government central services | 17 | 23 |
| Travel and subsistence | 688 | 559 |
| Auditor's remuneration – audit of accounts | 27 | 27 |
| General administration expenditure | 296 | 332 |
| Non-cash items: | | |
| - change in provision for accommodation dilapidation | - | 21 |
| - tangible asset depreciation | 146 | 128 |
| | 2,109 | 2,157 |
| Less: Operating income (Note 5) | (11) | (15) |
| Subtotal: Net administration costs | 2,098 | 2,142 |
| Local Education Authority and Associated costs | 34 | - |
| Post 16 education inspections and associated costs | - | 5 |
| School inspections and associated costs | 708 | 661 |
| General inspection related costs | 168 | 179 |
| Remit costs | 14 | - |
| Self-Evaluation Project direct costs ¹⁴ | 68 | 114 |
| Subtotal: Programme costs | 992 | 959 |
| Total other costs | 3,090 | 3,101 |
| Total Other costs without Income and depreciation | 2,955 | 2,988 |

5 Income

| Income | 2019-2020 £000's | 2018-2019 £000's |
|-----------------------------|---------------------|---------------------|
| Registration fees | (2) | (3) |
| Miscellaneous ¹⁵ | (9) | (12) |
| Total | (11) | (15) |

As the amount of income is received is relatively small and can vary year on year, it is excluded from Estimate figures in the Statement of net comprehensive expenditure.

¹⁴ Includes travel and subsistence, events and workshops, practitioner time from schools, translation and communications costs

¹⁵ Funding received from the European Commission to offset costs incurred on research visit for Erasmus project

6a Property, plant and equipment

| | IT equipment | Furniture & fittings | Office equipment | Total |
|-----------------------------------------|-------------------|-------------------------|---------------------|--------------|
| | £000's | £000's | £000's | £000's |
| Cost or valuation | | | | |
| At 1 April 2019 | 666 | 304 | 5 | 975 |
| Additions | 264 ¹⁶ | - | - | 264 |
| Disposals | (188) | - | - | (188) |
| At 31 March 2020 | 742 | 304 | 5 | 1,051 |
| Depreciation | | | | |
| At 1 April 2019 | 560 | 262 | 3 | 825 |
| Charged in year | 128 | 18 | - | 146 |
| Disposals | (188) | - | - | (188) |
| At 31 March 2020 | 500 | 280 | 3 | 783 |
| Carrying amount at 31 March 2020 | 242 | 24 | - | 268 |
| At 1 April 2019 | 106 | 42 | 2 | 150 |

¹⁶ £57k of the £264k expenditure is shown as an accrual in the accounts.

6b Intangible Assets

| | Software £000's | Training Materials £000's | IT Systems £000's | Total £000's |
|-----------------------------------------|--------------------|---------------------------------|-------------------------|-----------------|
| Cost or valuation | | | | |
| At 1 April 2019 | 11 | 21 | 196 | 228 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| At 31 March 2020 | 11 | 21 | 196 | 228 |
| Depreciation | | | | |
| At 1 April 2019 | 11 | 21 | 196 | 228 |
| Charged in year | - | - | - | - |
| Disposals | - | - | - | - |
| At 31 March 2020 | 11 | 21 | 196 | 228 |
| Carrying amount at 31 March 2020 | - | - | - | - |
| At 1 April 2019 | - | - | - | - |

7 Financial instruments

Whilst Estyn receives its money via the Welsh Government and not through the normal supply estimates, the majority of the financial instruments relate to contracts for non-financial items in line with their expected purchase and usage requirements and Estyn's exposure to credit, liquidity or market risk is therefore minimal. Estyn does not hold financial instruments that are complex or play a significant medium to long term role in the financial risk profile of Estyn.

Liquidity risk

Estyn relies primarily on funding from the Welsh Government for its resource requirements and is not therefore exposed to significant liquidity risks.

Interest rate and foreign currency risk

Whilst the bank balance that Estyn holds is material, the risk related to the balance is minimal as it is held within the Government Banking Service (GBS) set of bank accounts. All material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or foreign currency risk.

8 Trade and other receivables

8a Analysis by type

| | At 31/03/2020 £000's | At 31/03/2019 £000's |
|---------------------------------------------|-------------------------|-------------------------|
| Amounts falling due within one year: | | |
| Other receivables | 197 | 245 |
| Prepayments and accrued income | 138 | 148 |
| Total | 335 | 393 |

8b Intra-Government balances

| | At 31/03/2020 £000's | At 31/03/2019 £000's |
|-----------------------------------------------|-------------------------|-------------------------|
| Amounts falling due within one year: | | |
| Balances with other central government bodies | 218 | 166 |
| Balances with local authorities | - | 113 |
| Balances with bodies external to government | 117 | 114 |
| Total | 335 | 393 |

9 Cash and cash equivalents

| | 31 st March 2020 £000's | 31 st March 2019 £000's |
|-------------------------------------------------|------------------------------------------|------------------------------------------|
| Balance | 818 | 873 |
| Net change in cash and cash equivalent balances | 455 | (55) |
| Balance at 31st March 2020 | 1,273 | 818 |

Estyn uses the Government Banking Service and operates one bank account. The NatWest account provides a BACS payment service, collection of BACS income and local banking facilities. The following balance was held at 31st March 2019 and 31st March 2020:

| | 31 st March 2020 £000's | 31 st March 2019 £000's |
|--------------------|------------------------------------------|------------------------------------------|
| Balance at NatWest | 1,273 | 818 |
| Total | 1,273 | 818 |

10 Trade and other payables

10a Analysis by type

| | 31 st March 2020 £000's | 31 st March 2019 £000's |
|--------------------------------------|------------------------------------------|------------------------------------------|
| Amounts falling due within one year: | | |
| Trade payables | 673 | 280 |
| Payroll funding | 1,148 | 420 |
| Accruals & deferred income | - | 460 |
| | 1,821 | 1,160 |

10b Intra-Government balances

| | 31 st March 2020 £000's | 31 st March 2019 £000's |
|-----------------------------------------------|---------------------------------------|---------------------------------------|
| Balances with other central government bodies | 853 | 43 |
| Balances with local authorities | 134 | 191 |
| Balances with bodies external to government | 834 | 926 |
| Total | 1,821 | 1,160 |

10c Contribution to costs received in advance

| Contribution to costs received in advance | 31 st March 2020 £000's | 31 st March 2019 £000's |
|-----------------------------------------------|---------------------------------------|---------------------------------------|
| Balances with other central government bodies | 36 | - |
| Balances with local authorities | - | - |
| Balances with bodies external to government | - | - |
| Total | 36 | - |

11 Provisions for liabilities

Accommodation refit: Obligations arising for refitting of leased office property to its original condition on termination of a lease

| Provisions | Accommodation refit £000's | Total £000's |
|-----------------------------------------------------------|----------------------------------|-----------------|
| Balance at 1 April 2019 | | |
| - Within one year | | |
| - Between two and five years | 176 | 176 |
| - After five years | - | - |
| Increase/(Decrease) in provision | - | - |
| Amounts utilised in the year | - | - |
| Remaining provision: | 176 | 176 |
| - Within one year | 176 | 176 |
| - Between two and five years | - | - |
| - After five years | - | - |
| Total provision as at 31st March 2020¹⁷ | 176 | 176 |

¹⁷ Accommodation provision was re-assessed by a professional surveyor in March 2019.

12 Capital commitments

There are no capital commitments as at 31st March 2020.

13 Commitments under leases

Operating leases

| | 2020 Land & Buildings £000's | 2019 Land & Buildings £000's |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| At 31 March 2020 Estyn was committed to making the following payments during future years in respect of operating leases expiring: | | |
| - within one year | 124 | 136 |
| - between two and five years ¹⁸ | - | 124 |
| - after five years | - | - |
| Total | 124 | 260 |

IFRS16 issued in January 2016 but not effective until 1st January 2021, requires that all leases with a lease term of more than 12 months be recognised as assets and liabilities in financial statements. If this standard had been effective for 2019-2020, there would have been an increase in both assets and liabilities of £124k. The lease comes to an end in 2020-2021.

14 Other commitments

Estyn has not entered into any non-cancellable contracts (which are not operating leases) as at 31st March 2020 (there were no non-cancellable contracts as at 31st March 2019).

15 Contingent liabilities

There were no contingent liabilities as at 31st March 2020 (there were no contingent liabilities as at 31st March 2019).

16 Related party transactions

The Welsh Government is as a related party to Estyn. Material transactions with Welsh Government during 2019-2020 are:

- funding of £11.719m from Welsh Government (£11.075m 2018-2019)
- we paid Welsh Government £7.794m, mainly for reimbursement of staff salaries and corresponding deductions they pay on our behalf (£7.816m in 2018-2019)
- Welsh Government accruals for 2019-2020 were £725k (£5k 2018-2019) and £196k of debtors (£130k 2018-2019)

¹⁸ Lease for office accommodation

No board member, key manager or other related parties have undertaken any material transactions with Estyn during the year.

17 Events after the reporting period

There have been no events since the Statement of Financial Position date that affect the understanding of these financial statements.

18. Restated 2018-2019 Statement of Comprehensive Net Expenditure

In 2018-2019 grant income from Welsh Government was treated as income which has been reconsidered for the treatment of similar funding in 2019-2020. The additional funding has been treated as additional budget in 2019-2020 and the Statement of Comprehensive Net Expenditure for 2018-2019 restated to provide comparability between years.

| Original Statement of Comprehensive Net Expenditure for the year ended 31 March 2019 | | | | | | Restated to show additional funding as additional budget budget | | |
|-----------------------------------------------------------------------------------------|-------|-------------------|-------------------|---------------------|--|-----------------------------------------------------------------------|-------------------|---------------------|
| | | | 2018-2019 | | | 2018-2019 | | |
| | Notes | Budget £'000's | Actual £'000's | Variance £'000's | | Budget £'000's | Actual £'000's | Variance £'000's |
| Resources | | | | | | | | |
| Staff costs | 3 | 8,000 | 7,907 | - 93 | | 8,128 | 7,907 | - 221 |
| Depreciation | 6&7 | 400 | 128 | - 272 | | 400 | 128 | - 272 |
| Other expenditure | 4 | 2,653 | 2,988 | 335 | | 2,767 | 2,988 | 221 |
| | | | | - | | | | - |
| Total Resources | | 11,053 | 11,023 | - 30 | | 11,295 | 11,023 | - 272 |
| Miscellaneous Income | 5 | - | 15 | - 15 | | - | 15 | - 15 |
| Grant income | | - | 242 | - 242 | | - | | - |
| Net Operating Costs for the Year | | 11,053 | 10,766 | - 287 | | 11,295 | 11,008 | - 287 |

Annex 1: Glossary of acronyms used in this report

| | |
|----------|--------------------------------------------------------------------------|
| ACES | Adverse childhood experiences |
| ALC | Adult learning in the community |
| ALN | Additional learning needs |
| AoLE | Areas of learning and experience |
| ARAC | Audit Risk and Assurance Committee |
| AW | Audit Wales |
| BACS | Bankers' Automated Clearing Services |
| BIBESOIN | Better Inspection for Better Social Inclusion |
| CETV | Cash Equivalent Transfer Value |
| CIW | Care Inspectorate Wales |
| CSOPS | Civil Servant and Other Pension Scheme |
| CYPE | Children, Young People and Education |
| DAO | Welsh Dear Accounting Officer letters |
| EHRC | Equality and Human Rights Commission |
| Erasmus | European Community Action Scheme for the Mobility of University Students |
| FOIA | Freedom of Information Act |
| FRem | Financial Reporting Manual |
| GBS | Government Banking Service |
| GDPR | General Data Protection Regulations |
| HIW | The Health Inspectorate Wales |
| HMCI | Her Majesty's Chief Inspector of Education and Training in Wales |
| HMI | Her Majesty's Inspector |
| IAR | Inspectorate, Audit and Regulation |
| IFRS | International Financial Reporting Standards |
| IPAC | Inspection and Policy Advice Committee |
| ISAs(UK) | International Standards on Auditing in the United Kingdom |
| ITE | Initial teacher education |
| LGES | Local government education services |
| NED | Non-Executive Director |
| NEIR | National Evaluation and Improvement Resource |
| PCSPS | Principal Civil Service Pension Scheme |
| PI | Performance Indicator |
| PMLD | Profound and Multiple Learning Disability |
| PRU | Pupil referral unit |
| Rgl | Registered Inspector |
| RgNI | Registered Nursery Inspector |
| RI | Reporting inspector |
| SCS | Senior Civil Service |
| SDGC | Sustainable Development and Global Citizenship |
| SEBD | Social, Emotional and Behavioural Difficulties |
| SEN | Special educational needs |
| SICI | Standing International Conference of Inspectorates |
| SoFFP | Statement of Financial Position |
| VAT | Value Added Tax |
| VIR | Virtual inspection room |

Annex 2: Well-being of Future Generations Act report

About this report

This wellbeing report provides an update on our progress in contributing to the Well-being of Future Generations (Wales) Act 2015¹⁹ ('the Act'). The report shows how our strategic objectives and delivery principles are contributing to the wellbeing goals for Wales and explains how we are working in accordance with the sustainable development principle.

As explained in the Annual Report and Accounts 2019-2020, we had to suspend inspection activity three weeks before the end of the reporting period due to COVID 19. Looking back at 2019-2020 and before the outbreak of COVID-19, much had been achieved. This report contains details of our year.

The Act

The Act sets out a shared purpose to achieve a better and lasting quality of life for us all. The shared purpose is represented by an integrated set of seven wellbeing goals.



A prosperous Wales

An innovative, productive and low carbon society, which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and developing a skilled and well-educated population in an economy that generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

A resilient Wales

A nation that maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.

A healthier Wales

A society in which people's physical and mental wellbeing is maximised and in which choices and behaviours that benefit future health are understood.

¹⁹ [Well-being of Future Generations \(Wales\) Act 2015](#) and the [Well-being of Future Generations \(Wales\) Act 2015 The Essentials](#)

A more equal Wales

A society that enables people to fulfil their potential no matter what their background or circumstances.

A Wales of cohesive communities

Attractive, safe, viable and well-connected communities.

A Wales of vibrant culture and thriving Welsh language

A society that promotes and protects culture, heritage and the Welsh language, and that encourages people to participate in the arts, and sports and recreation.

A globally responsible Wales

A nation that, when doing anything to improve the economic, social, environmental and cultural wellbeing of Wales, takes account of whether doing such a thing may make a positive contribution to global wellbeing.

The Act also puts in place a '**sustainable development principle**', which tells organisations how to go about meeting their duty under the Act. The Act emphasises the value of preventing problems from occurring rather than addressing them after they emerge. It aims to merge policy issues, such as public health, education, climate change and economic prosperity, and mandates that all policy must contribute to sustainability and not undermine long-term goals.

There are five things that public bodies need to think about in applying the sustainable development principle.

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• The long term – the importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs• Prevention – how acting to prevent problems occurring or getting worse may help public bodies meet their objectives• Integration – considering how the public body's wellbeing objectives may impact upon each of the wellbeing goals, on their objectives, or on the objectives of other public bodies | <ul style="list-style-type: none">• Collaboration – acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its wellbeing objectives• Involvement – the importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the area which the body serves |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Our 'wellbeing objectives'

Public bodies identified within the Act are required to develop wellbeing objectives and report on them.

We have been embedding the principle of sustainable development into the way we use our resources for many years. Although the duty does not apply to us (we are not a listed public body for the purposes of the Act), we nonetheless support the spirit of the Act and seek to build the necessary wellbeing components and sustainable development principle into our planning, governance and operational delivery and into how we lead, communicate and involve our staff and stakeholders.

For clarity of purpose, our 'strategic objectives and delivery principles', which drive everything we do, serve well as our 'wellbeing objectives'. This clarity of purpose will help us to embed the Well-being of Future Generations Act across our organisation. For example, our strategic objectives are linked to team and personal objectives across the organisation.

Our wellbeing objectives cannot be completed in a year and will remain in our Annual Plans and Annual Report and Accounts for a several iterations.

How we contribute to the Well-being of Future Generations Act

Strategic Objective 1:

Provide public accountability to service users on the quality and standards of education and training in Wales

All education and training providers are inspected at least once within a cycle. The current inspection cycle is a seven-year period, which started in September 2016.

Progress made to date

A prosperous Wales is dependent on a skilled and well-educated population. Estyn's core work is reporting on the quality and standards in education and training, which has the aim of developing ambitious, capable learners, ready to learn throughout their lives. Specifically, our [inspection guidance](#) emphasises the importance of involving the school or provider fully in the inspection, gaining the perspective of learners and stakeholders and applying the principle of equality for Welsh and English for all our inspection work. On our website, we publish details on which providers are due to be inspected and when their [inspection reports](#) will be published.

As part of the Welsh Government's national mission for education, we are working with schools, local authorities and regional consortia to develop a self-evaluation toolkit on a project called [a national evaluation and improvement resource for schools \(NEIR\)](#). Our work aims to improve the education for children and young people and contribute to a prosperous Wales.

Maximising people's wellbeing under a **healthier Wales** is a focus of our inspection framework. Inspectors are required to look at standards of learners' wellbeing, including their attitudes to keeping healthy and safe, and the provision made by a provider. An example of effective practice is captured in our case study [Creating a nurturing school through an inclusive approach to wellbeing](#). Another case study, [Support for wellbeing during transition from primary to secondary](#), relates to a secondary school that has fostered strong relationships with its partner primary schools, providing a clear focus on promoting the wellbeing and resilience of new pupils. A key thematic report for the year, [Healthy and happy](#), found that pupils are happier and healthier when wellbeing is embedded in school life. Also refer to our blog [here](#).

From mid-March onwards we redeployed staff to the Welsh Government and have been [Supporting continuity of learning for children and young people](#). The Continuity of Learning Plan is focused on enabling continuity of learning remotely and aims to ensure that learning is broad and balanced, supports learners' mental and emotional health and wellbeing and enables all learners to make meaningful progress. We are contributing to almost all aspects of the plan that aims to support wellbeing and ensure that pupils can continue learning while they are not able to attend their usual school, PRU, college or other education and training provider.

Read HMCI's blog on our support for Welsh education and training in the current climate [here](#).

Our inspection framework requires inspectors to consider how well a provider works with strategic partners including community groups. An example of a **Wales of cohesive communities** is the case study [Parental engagement sessions promote continuity in children's learning experiences](#), which relates to a setting running parental engagement sessions that have created stronger bonds within the community. Another example is [Supporting the needs of pupils from the Gypsy, Roma and Traveller communities](#).

Estyn strives to contribute to **global responsibility** and inspectors evaluate how well schools help pupils to develop an understanding of their culture, the local community and the wider world. Inspectors consider how well the school prepares pupils to become active citizens and to make decisions about the life and work of the school. They consider pupils' participation in decision-making at a school level, including the opportunities they have to influence what and how they learn, and the effectiveness of the school council and other pupil groups, for example the eco-committee. One case study, [Supporting pupil wellbeing](#), relates to school that has fostered strong international partnerships as a follow on from their role within an Erasmus project (EU's programme to support education, training, youth and sport in Europe).

Strategic Objective 2:

Inform the development of national policy by the Welsh Government

Estyn has had a key role in informing and developing national policy. This includes producing the Chief Inspector's Annual Report and thematic reviews to inform national policy, and actively contributing to a number of Welsh Government working groups.

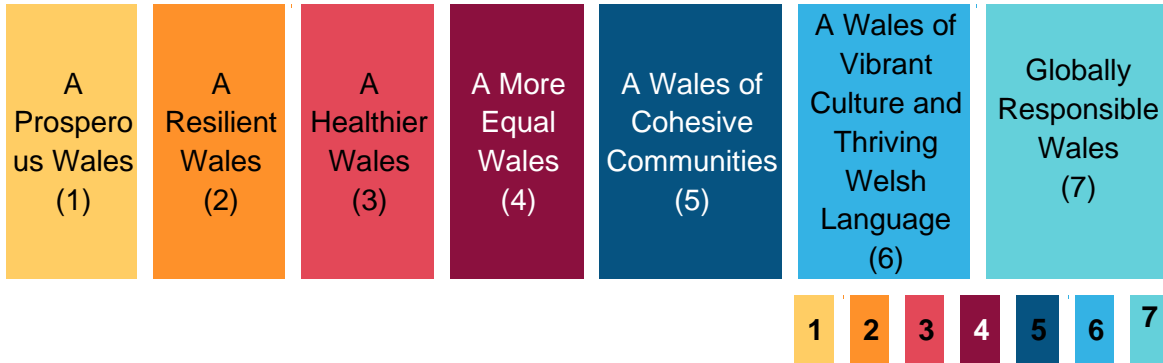
Progress made to date

The Annual Report contributes significantly to **a prosperous Wales**, and to many of the other wellbeing goals such as **a healthier Wales, a more equal Wales** and **a Wales of vibrant culture and thriving Welsh language**. The Chief Inspector's Annual Report was published in February 2020 and provided a detailed 'state of the nation' overview of the Welsh education system, using inspection and other evidence, including the most recent PISA results.

Estyn's thematic reviews and working groups contribute in various ways to the wellbeing goals. The following table provides a list of Estyn's thematic reports published in 2019-2020 and indicates how these contribute towards the wellbeing goals.

How Estyn’s thematic reports contribute to the Welsh Government’s wellbeing goals

Our common purpose – the seven wellbeing goals for Wales



Thematic reports published in 2019 -2020

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|
| Provision for secondary school-aged Gypsy, Roma and Traveller pupils | ■ | | ■ | ■ | ■ | | ■ |
| Provision for young carers in secondary schools, further education colleges and pupil referral units across Wales | ■ | | ■ | ■ | ■ | | |
| Healthy and happy – school impact on pupils’ health and wellbeing | ■ | | ■ | ■ | ■ | ■ | |
| Federated schools - common features of effective federation | ■ | | ■ | | ■ | | |
| Pupil registration practices | ■ | | | | | | |
| Knowing your children – supporting pupils with adverse childhood experiences (ACES) | ■ | | ■ | ■ | ■ | | |
| Pupils with special educational needs in mainstream schools - A good practice report | ■ | | ■ | ■ | ■ | | |
| Prevent – how well maintained schools implement their duties under the Counter-Terrorism and Security Act 2015 | ■ | | ■ | ■ | ■ | | |
| Partnerships with employers in secondary and special schools | ■ | | ■ | ■ | ■ | | |
| Pupil Referral Unit management committees | ■ | | ■ | ■ | ■ | | |
| Effective school support for disadvantaged and vulnerable pupils – case studies of good practice | ■ | | ■ | ■ | ■ | | |
| Leadership development – case studies of professional learning for school leadership | ■ | | ■ | ■ | ■ | | |

Strategic Objective 3:

Build capacity for improvement of the education and training system in Wales

In support of our mission ‘...to support education and training providers to develop a self-improving and learning culture..’ we have set ourselves a third strategic objective to ‘**build capacity for improvement of the education and training system in Wales**’.

Progress made to date

In support of **a prosperous Wales**, we aim to develop ambitious, capable learners who are ready to learn throughout their lives. To this end, and in support of a number of the other wellbeing goals, we build capacity in the delivery of education and training through the publication of best practice case studies and hold ‘leadership and improvement’ conferences for providers. Recently published case studies contributing to **a prosperous Wales** include [Tracking system helps pupils to achieve targets](#). Also relevant is the thematic report [Leadership development – case studies of professional learning for school leadership](#), which includes detailed case studies of the professional learning opportunities provided for staff in nine schools across Wales.

We have published case studies connected with **a healthier Wales**. For example, [Supporting pupils’ emotional wellbeing](#) shows a school that employs a range of strategies to support pupils’ emotional wellbeing by building resilience and developing their self-esteem and social skills. A strong focus on parental engagement has had a very positive impact on pupils’ attitudes to learning, pupil outcomes and wellbeing in the case study [Building positive relationships with parents and families](#).

In support of **Wales of cohesive communities**, [Creating links with the local community](#) is a case study that describes a setting that has built a relationship with the local care home, and children from the setting visit its residents each month. The visits help to develop the children’s social skills and confidence. Also relevant is the thematic report [Partnerships with employers in secondary and special schools](#).

Regarding **Wales of vibrant culture and thriving Welsh language**, recent best practice studies in this area include the case study [Raising Welsh language standards](#), which shows how a school has raised Welsh language standards by incorporating the language into all areas of school life. Also, a Welsh for Adults provider that maintains a high retention rate through positive working relationship with learners, identifying any issues and providing appropriate support – [Effective support helps learners become fluent Welsh speakers](#).

[Empowering students to make a positive difference in the world](#) is an example of a case study focusing on **a globally responsible Wales**.

Delivery Principle 1:

Develop Estyn as a 'best value' organisation and 'exemplary employer'

We will seek to build upon the sound arrangements already in place to ensure that we make effective and efficient use of our budget in line with the framework and principles of Managing Welsh Public Money. We will also continue to develop staff within a supportive and trusting environment that will help maintain our high levels of engagement and further enhance our leadership capacity.

Progress made to date

We are committed to a **prosperous Wales** and maximising local wellbeing. Here are some examples of our everyday normal practice in this area. At Estyn, we support the living wage and all those directly employed by us are paid at rates above the living wage. We look to second staff into and out of Estyn and use local agency staff to share knowledge and develop transferrable skills. Our procurement policy for goods and services considers sustainability and social value rather than cost alone. We use local suppliers of goods and services and pay suppliers promptly, having targets to monitor this. We also aim to use local Welsh venues for events.

We recognise that the **health and wellbeing** of employees make an essential contribution to business success and help individuals to live life to the full. We publish a [Health and wellbeing policy](#) and [Policy and guidance for managing stress and wellbeing in the workplace](#). Our promotion of the health and wellbeing of our people has been recognised through the achievement of the Silver Award for the Corporate Health Standard. Specifically, Estyn provides annual voluntary health checks. We promote the benefits of regular exercise and provide practical support to those wishing to exercise. For example we have showers and secure cycle storage at the Cardiff office. We value a work-life balance and consider all requests for flexible working, including part-time, part-year (term-time only), job share, compressed hours, annualised hours, and partial retirement. Estyn aims to develop a culture where staff can talk openly about mental health issues and, during 2019, awareness raising sessions were provided to promote understanding and reduce discrimination.

All our activities aim to contribute to a **more equal Wales** where people can fulfil their potential. We have consulted on and developed the new Strategic Equality Plan 2020-2024. However, due to COVID-19, the publication deadline has been extended to 30 September 2020 by the Equality and Human Rights Commission. Our [family friendly policy](#) sets out the statutory and enhanced benefits and support that Estyn will provide to employees who are parents and having a baby. Our [Flexible working policy](#) offers a range of flexible working options including home working, part-time, compressed hours, job sharing, part-year, annualised hours and flexi time.

We produce best practice guidance on equality and diversity issues, examples of which can be found on our website searching under [the 'equality and diversity' tag](#).

We also produce an [Equal pay audit report](#) as part of our wider commitment to monitoring equality and to provide analysis and recommendations in relation to the reward management, policy and practice of our staff.

Our commitment to a **Wales of vibrant culture and thriving Welsh language** is embedded in working practice and our [Welsh-language-policy](#) demonstrates how we meet the requirements of the Welsh language standards. We continue to develop and review our policies and procedures and support Welsh language training for staff in order to improve our Welsh language services. Welsh speaking staff use the Cymraeg comma on their email signatures and wear the Cymraeg comma lanyards. Estyn's access points all have bilingual greetings.

Read a recent blog about the new opportunities for teaching Welsh history [here](#).

We are committed to a **Wales of cohesive communities**. Our staff are enthusiastic supporters of charity events, raising thousands of pounds for a number of good causes in recent years including Ty Hafan, Breast Cancer Care, Cancer Research UK, Velindre Cancer Centre and Tenovus cancer care.

Estyn wishes to support employees who want to contribute to the wider community. Therefore special leave with pay is usually allowed to enable employees to serve the community through volunteering, carrying out public duties, attending jury service or serving in the reserve forces. 5

In terms of a **globally responsible Wales** and a **resilient Wales**, Estyn has a focus on decarbonisation and sustainable consumption and production through the procurement of products and services and a commitment to reduce, re-use and recycle resources. It is in these areas that Estyn can make the greatest contribution to maintaining and enhancing biodiversity and the section 6 duty of the Environment (Wales) Act 2016.

Our [Sustainability Report \(including biodiversity duty reporting\) December 2019](#) includes what we have done to comply with the section 6 duty and should be read in conjunction with this wellbeing report. The process of complying with the section 6 duty will help us to maximise our contributions to the wellbeing goals.

Delivery Principle 2:

Work collaboratively with inspectorates and other stakeholders to support improvement

Estyn works with other inspectorates in Wales, the UK and in Europe with a shared aim to support better outcomes for people, seeking always to protect their interests by reporting without fear or favour on the public services that fall within our remit. By working together effectively, the impact we can jointly have for people can be enhanced.

Our stakeholders are central to helping us to achieve our mission to support education and training providers to develop a self-improving and learning culture through our advice, inspection and capacity building. We will continue to work in partnership with our stakeholders to improve how we plan and deliver our inspection service and support improvement in those areas of mutual interest.

Progress made to date

Estyn strives to deliver a **prosperous Wales** at the same time as contributing to **global responsibility**. We are committed to supporting improvement by working collaboratively with our peers internationally. In 2019 we further strengthened our engagement with the Standing International Conference of Inspectorates (SICI) consisting of 37 inspectorates. In September 2019, we shared practice with members on recent innovations in inspection practice. Of particular interest was the role of the peer inspector in our inspections, which gained a lot of interest from other inspectorates.

We have continued our work with SICI and six other inspectorates and education providers across Europe in a two and a half year multinational, Erasmus+ grant-funded project BIBESOIN (Better Inspection for Better Social Inclusion). The focus of the project is how effectively our different inspection practices evaluate schools' approaches to addressing social disadvantage.

During 2019-2020, we have held a three-day training event for 15 inspectors and other education professionals from abroad on our approach of evaluating schools' provision for addressing disadvantage arising out of poverty and additional learning needs based on its impact.

We've been supporting the Welsh Government on a project to develop a 'National Evaluation and Improvement Resource' (NEIR) for schools. This year we piloted the NEIR with schools and other partners to test out its principles and the tools and approaches that support evaluation and improvement.

Sustainable development principle:

Our work aims to ensure the five ways of working are embedded at the core of everything we do. Some examples are set out below.

Prevention

We inspect a representative sample of schools and providers each year but, where the evidence indicates significant concerns about a provider, this may lead us to prioritise that provider for inspection. Our improvement conference approach is a **preventative** approach, which is used alongside our formal inspection process.

Thematic inspections help to **prevent** problems in education and training from emerging or worsening by identifying policies or practices that do not benefit learners nor support the quality of educational and related provision.

In February 2020, we published a thematic review of how the 'Prevent' agenda to combat extremism is being embedded in schools – [Prevent – how well maintained schools implement their duties under the Counter-Terrorism and Security Act 2015](#).

Integration

Integrated thinking helps us to work **collaboratively** within Estyn and with other inspectorates to support improvement. We work jointly with other inspectorates and regulatory bodies, co-ordinating planning activities so that they result in proportionate programmes of work that avoid duplication and ensure that key risks and concerns are being examined. We also work closely with CIW, HIW and Audit Wales as [Inspection Wales](#).

In July 2018, we published [Youth Support Services in Wales – The Value of Youth Work](#). This report is the first in a series arising from a joint project examining issues around support for young people in Wales. This project is being carried out by Estyn, CIW, HIW and Audit Wales working together as Inspection Wales.

Healthcare Inspectorate Wales published its [review of healthcare services for young people](#) in March 2019. Care Inspectorate Wales published its report on [care experienced by children and young people](#) in June 2019. Audit Wales published a summary report and 5 separate reports on youth homelessness, young adult carers, young parents, mental health and skills and employability. Here is a link to the report published in September 2019 - [the well-being of young people](#).

Internally, our impact assessments (equality and business, including environmental) ensure that we make the connections between issues and make decisions that have wider benefits.

Involve and collaborate

We regularly **involve** and **collaborate** with external partners. For example, we **collaborate** with a range of stakeholders to undertake our thematic reviews, most notably education providers and support services, and **involve** those with a stake in education improvement, including learners themselves.

While we always have pursued joint and **collaborative** working, we are exploring more effective ways to share knowledge and information, as well as closer co-ordination in planning and delivery of our work with other inspectorates in Wales and the UK.

During 2019, we published thematic reviews that contributed to our work on **collaboration**: [Federated schools – common features of effective collaboration](#) and [Partnerships between schools and employers](#).

Provider case studies concerned with **involvement** and **collaboration** include [Using pupil voice to shape learning](#). In this case study, the pupil's voice at the school has grown into a particular strength in all aspects of the school's life and work. Further case studies include [Working collaboratively on school improvement](#) and [Involving parents in education](#).

In 2019-2020, we consulted extensively with staff, external inspectors and stakeholders on our inspection arrangements. This has included standard questionnaires, a youth-friendly questionnaire and focused workshops with hard-to-reach groups.

Estyn wishes to **involve** people in our work and aims to produce documents that are clear, accurate and in plain English and/or Welsh as standard for the public. It is essential that as wide an audience as possible can read and understand our publications. A clear style of report writing will help to achieve this and our work this year on improving our 'tone of voice' will facilitate this.

We regularly **involve** and **collaborate** with staff and the trade unions. In 2019, we continued to have one of the highest reported engagement scores of all civil service organisations across the UK taking part in the annual Civil Service People Survey – [Estyn People Survey Result 2019](#).

Long term

We have **long-term** challenges to face in education and training in Wales as we have never seen before as a result of the COVID-19 outbreak. This is along with increasing work demands and uncertainty over future funding levels; our risk management framework helps us to balance shorter-term and longer-term needs. Here is a link to our [Risk management policy and guidelines](#).

Estyn aims to support positive outcomes in the **long term** both for current and future generations. Under proposals for Estyn's revised inspection arrangements, planned to be phased in gradually from September 2021, Estyn will be in schools more than once within a seven-year cycle, providing more frequent assurance to parents and the wider community about the standards being achieved and priorities for improvement.

Our published thematic work has a clear focus on the **long-term** needs of learners and the development of a sustainable education and training system to meet these needs.

In terms of example case studies with a focus on the **long term**, investment in learning and teaching at one secondary school has helped the school create a new

vision for improvement, with emphasis on leadership and professional learning. The case study [Creating a vision for continuous improvement](#) explains this, and also how pupils' opinions are taken into account, and they are given opportunities to take an active role in their learning. A further case study shows how the three schools in a federation share leadership and responsibilities to reduce burden on teachers, allowing them to broaden the professional experiences and ensure high standards, [Effective planning across a federation](#).

Some of our key work connects to all aspects of the 'sustainable development principle' aiming to prevent problems, find long term solutions, integrate with national policy, collaborate and involve people. For example, we always planned to partially suspend inspections in 2020-2021 and, during this year, to spend a day visiting each maintained school and PRU to see how far they are starting to plan for the new curriculum, and build a national picture of what is working well and any emerging challenges. We are calling these 'engagement visits'. Pilot engagement visits were carried out throughout summer and autumn term 2019 and were well received. Due to the COVID-19 pandemic, our planned engagement visits (and our remit for 2020-2021) will be re-purposed to support schools' recovery from the current situation. Estyn will capture learning and provide independent advice and evidence to support initial planning for continuity of learning in schools and post-16 sectors, and future decision-making to support the education system's recovery from the COVID-19 pandemic.