

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Monday, 26 September
2016

Meeting time: 13.45

For further information contact:

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Committee Clerk

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(13.45 – 14.00 Private pre-meeting)

1 Introductions, apologies, substitutions and declarations of interest

(14.00)

2 Paper(s) to note

(14.00 – 14.05)

(Pages 1 – 5)

3 Scrutiny of Accounts 2015–16: Careers Wales

(14.05– 14.50)

(Pages 6 – 99)

Research Briefing

PAC(5)–04–16 Paper 1

PAC(5)–04–16 Paper 1A

Richard Spear – Chief Executive, Careers Wales

Nikki Lawrence – Director of Resources, Careers Wales

4 Scrutiny of Accounts 2015–16: Higher Education Funding Council for Wales (HEFCW)

(14.55–15.45)

(Pages 100 – 180)

Research Briefing

PAC(5)–04–16 Paper 2



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Dr David Blaney – Chief Executive, HEFCW
Bethan Owen – Director of Institutional Engagement, HEFCW
Nick Williams – Head of Corporate Services, HEFCW

(15.45–15.55 Break)

5 Scrutiny of Accounts 2015–16: Estyn

(15.55–16.45)

(Pages 181 – 264)

Research Briefing
PAC(5)–04–16 Paper 3

Meilyr Rowlands – Chief Inspector, Estyn
Phil Sweeney - Corporate Services Director, Estyn

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(16.45)

Item 7

7 Scrutiny of Accounts 2015–16: Consideration of evidence received

(16.45–17.00)

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Monday, 19 September
2016

Meeting time: 14.00 – 16.37

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3711>

Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Rhun ap Iorwerth AM Mohammad Asghar (Oscar) AM Neil Hamilton AM Mike Hedges AM Rhianon Passmore AM Lee Waters AM
Witnesses:	Claire Clancy, Chief Executive & Clerk of the Assembly Suzy Davies AM, Commissioner Nia Morgan, Director of Finance
Wales Audit Office:	Anthony Barrett, Assistant Auditor General Matthew Mortlock Dave Thomas Mike Usher Emma Woodcock
Committee Staff:	Fay Buckle (Clerk)



	Meriel Singleton (Second Clerk) Claire Griffiths (Deputy Clerk) Martin Jennings (Researcher) Joanest Varney-Jackson (Legal Adviser)
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Transcript

[View the meeting transcript \(PDF 999KB\)](#) [View as HTML \(999KB\)](#)

1 Introductions, apologies, substitutions and declarations of interest

- 1.1 The Chair welcomed the Members of the Committee.
- 1.2 Apologies were received from the Auditor General for Wales. Anthony Barrett (Assistant Auditor General) attended on his behalf.

2 NHS Wales Health Board's Governance: Welsh Government Response to the Fourth Assembly Committee's Report

- 2.1 The Committee considered the Welsh Government's response to the previous Committee's report on NHS Wales Health Board's Governance.
- 2.2 The Committee noted the Auditor General for Wales' comments that in his opinion, the Welsh Government responses are reasonable and provide an assurance that actions are either underway or planned in areas where concerns were raised.
- 2.3 The Committee agreed to write to both the Welsh Government and Healthcare Inspectorate Wales seeking clarification on a number of the responses to the previous Committee's report.

3 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

3.1 The motion was agreed.

4 Paper(s) to note

4.1 The Circuit of Wales

4.1 Members discussed and noted the correspondence and agreed to revisit the issue on receipt of the Auditor General for Wales's findings.

5 Coastal flood and erosion risk management in Wales: Auditor General for Wales Report

5.1 The Committee received a briefing on the Auditor General for Wales' report on Coastal flood and erosion risk management in Wales.

5.2 The Committee agreed to write to the Welsh Government seeking clarification on a number of issues.

6 National Fraud Initiative: Auditor General for Wales Report

6.1 The Committee received a briefing on the Auditor General for Wales' report on the National Fraud Initiative.

7 The Welsh Government's Funding of Kancoat Ltd: Auditor General for Wales Report

7.1 The Committee received a briefing on the Auditor General for Wales' report on The Welsh Government's Funding of Kancoat Ltd.

8 Hospital Catering and Patient Nutrition: Auditor General for Wales Report

8.1 The Committee noted the update from the Auditor General for Wales on hospital catering and patient nutrition and the associated correspondence.

9 Work programme: Consideration of Auditor General for Wales' reports and Committee led inquiries

9.1 Members discussed the briefings received from the recently published Auditor General for Wales' reports together with the scoping paper on possible Committee led inquiries.

9.2 Members agreed the following:

- Coastal flood and erosion risk management: reconsider whether to undertake an inquiry on receipt of the response from the Welsh Government;
- National Fraud Initiative: report noted and agreed no further action for the Committee;
- Kancoat: agreed to hold one evidence session with the Welsh Government;
- Hospital catering and patient nutrition: the Committee felt that progress was slow in a number of areas and agreed to undertake a short inquiry.

9.3 Following consideration of possible Committee led inquiries, the Committee agreed to undertake inquiries into looked after children and housing associations.

10 Scrutiny of Accounts 2015–16: Assembly Commission

10.1 The Committee scrutinised Suzy Davies AM, Assembly Commissioner, Claire Clancy, Chief Executive and Clerk to the Assembly and Nia Morgan, Director of Finance, National Assembly for Wales on the Assembly Commission Annual Report 2015–16.

11 Scrutiny of Accounts 2015–16: Consideration of evidence received

11.1 Members discussed the evidence received on the scrutiny of the Assembly Commission annual report 2015–16.

Agenda Item 3

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Career Choices Dewis Gyrfa
Gyrfa Cymru

ANNUAL REPORT 2015-2016

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Message from the Chief Executive

It is with great pleasure that I present the third annual report of Career Choices Dewis Gyrfa Ltd (CCDG). Trading as Careers Wales, we are a wholly owned subsidiary of the Welsh Government and we provide the all-age, independent, impartial and bilingual Careers Information, Advice and Guidance (CIAG) service in Wales.

At Careers Wales we are passionate about helping clients achieve their potential – it's what we do and we are very good at it. We inspire, enable and motivate clients and help them develop the career management skills they need to compete for jobs, manage their careers and make decisions in a complex world.

This annual report highlights the impact we make and it will give you an insight into how we work with partners to deliver a range of services that help clients take control of their careers. Some of the achievements and developments covered in the report include:

- Attainment of all the key performance indicators set for us by the Welsh Government;
- Implementation of exciting new digital services;
- Extremely positive independent evaluation of our services;
- Delivery of a range of large-scale careers and skills conventions;
- The establishment of Business Class partnerships between employers and schools and the continued roll-out of our Business Ambassador Training;
- The development of 'careers' resources for use by teachers and others and our support for schools and colleges through training and the Careers Wales Mark;
- The impact of our support for unemployed adults through the Individual Skills Gateway; and
- Our help for those who face redundancy.

These achievements demonstrate that Careers Wales helps to support the economy and improve the efficiency and effectiveness of the £4.3b investment in education and skills made by the Welsh Government every year.

Like many organisations, we have faced significant change, challenges and uncertainty in recent years. I would like to take this opportunity to thank my colleagues at Careers Wales for their continued professionalism, commitment and dedication through these testing times. I would also like to thank the Board of CCDG for their continued support and direction, and in particular to our former Chair – John Taylor.

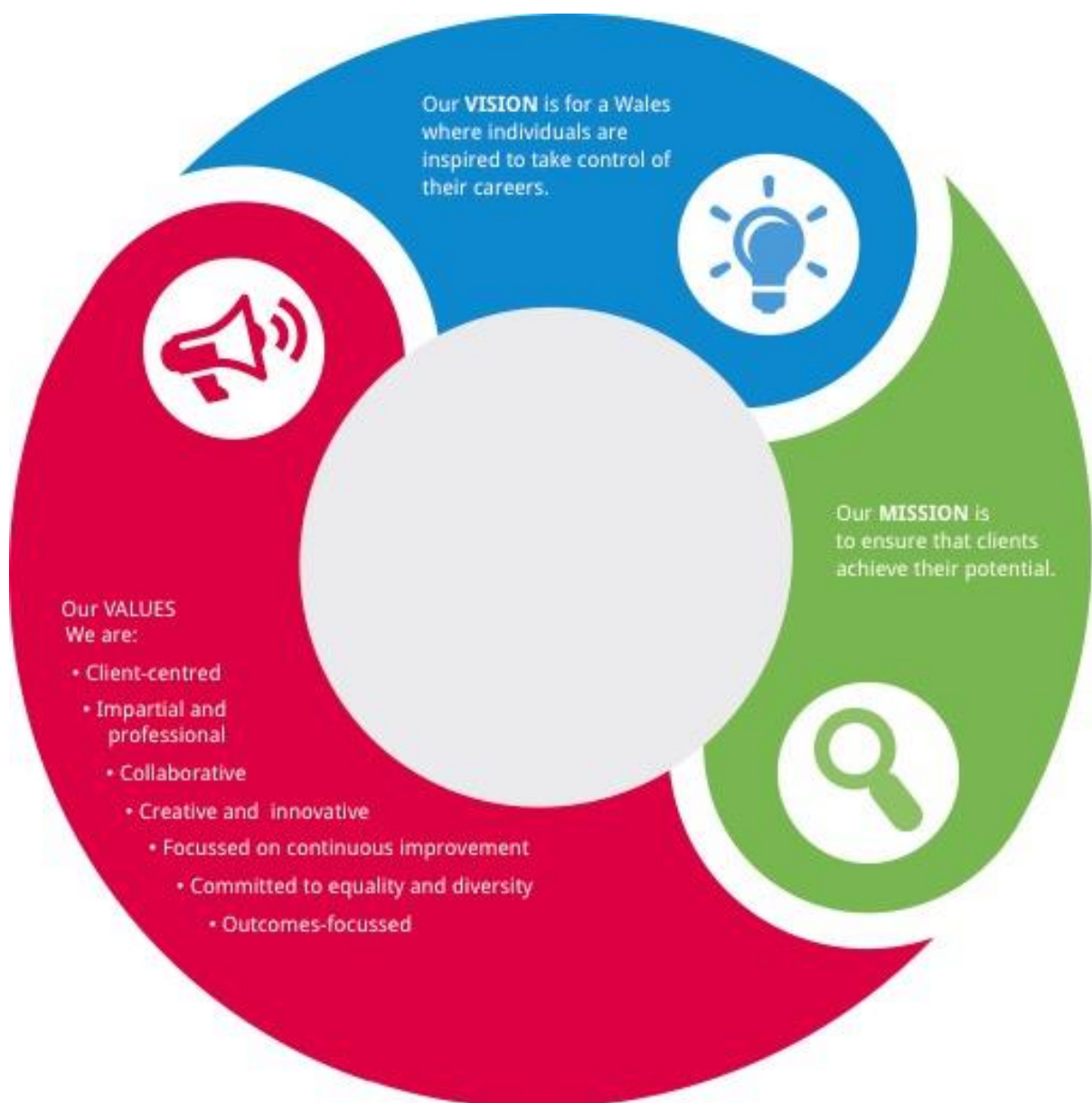
There will no doubt be further challenges ahead but, as demonstrated in this report, I am confident that we will face them with resilience, determination and a clear focus on our clients.

Richard Spear
Chief Executive

01/Introduction

Careers Wales is the impartial, all-age, bilingual careers information advice and guidance service for Wales. Our annual report describes a successful year for Careers Wales, particularly in light of the major budgetary pressures we faced. We continued to enjoy positive feedback from clients, partners and stakeholders and performed well against targets.

1.1 Vision, Mission and Values



1.2 Our Services

Our purpose is to support clients to become more effective at planning and managing their careers, recognising that career management no longer consists of a one-off occupational choice, but rather a series of lifelong career transitions. Through improving the career management skills and competencies of clients, they are able to make these transitions more smoothly, enjoy a higher level of career satisfaction and play a more active part in the economy.

Our client-centred services help users explore and understand the availability and suitability of education and employment opportunities, and undertake career goal setting, decision making and action planning, to work towards securing the best career available to them.

Our impartial careers information, advice and guidance services are delivered by qualified professionals in a variety of settings - schools, colleges, our careers centres, partner premises and at events.

As directed in our remit letter from Welsh Government, services were delivered with a particular focus on the following priority groups during the year:

- > Young people with statements of SEN (special educational needs) or equivalent
- > Young people 11-18 who are in greatest need of CIAG
- > Young people educated otherwise than at school
- > Young people aged 16-17 who are unemployed
- > Young people in the Youth Justice system
- > Unemployed adults accessing the Welsh Government's Individual Skills Gateway programme
- > Adults at risk of, or facing, redundancy

Careers Wales' digital services are available to everyone and offer greater access to impartial careers information, advice and guidance. Our live webchat service can be accessed from our website or Facebook page and, like our 'Careers Wales Connect' telephone helpline, provides personalised information and support.

Our website provides high quality information including:

- accessible, up-to-date Labour Market Information (LMI) for economically important occupations and priority sectors within Wales
- detailed job information, videos and case studies on hundreds of jobs

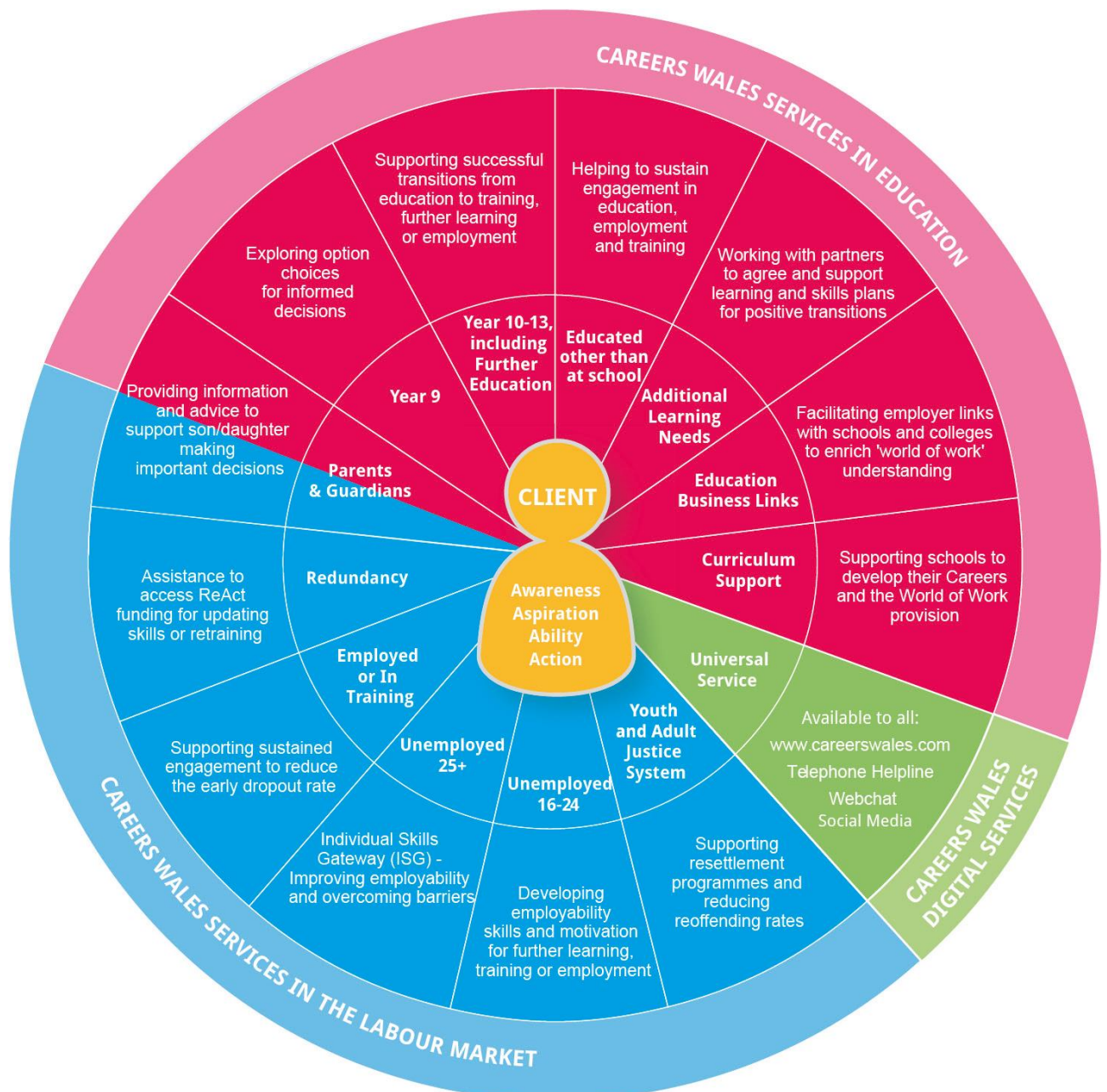
Visitors to careerswales.com will also discover interactive resources which allow them to:

- generate personalised career ideas matched to their skills and interests

- prepare for option choices, work experience or job interviews
- search and apply for vacancies
- search for courses from over 30,000 learning opportunities

Partners and stakeholders are also catered for with dedicated sections of the site hosting a variety of resources.

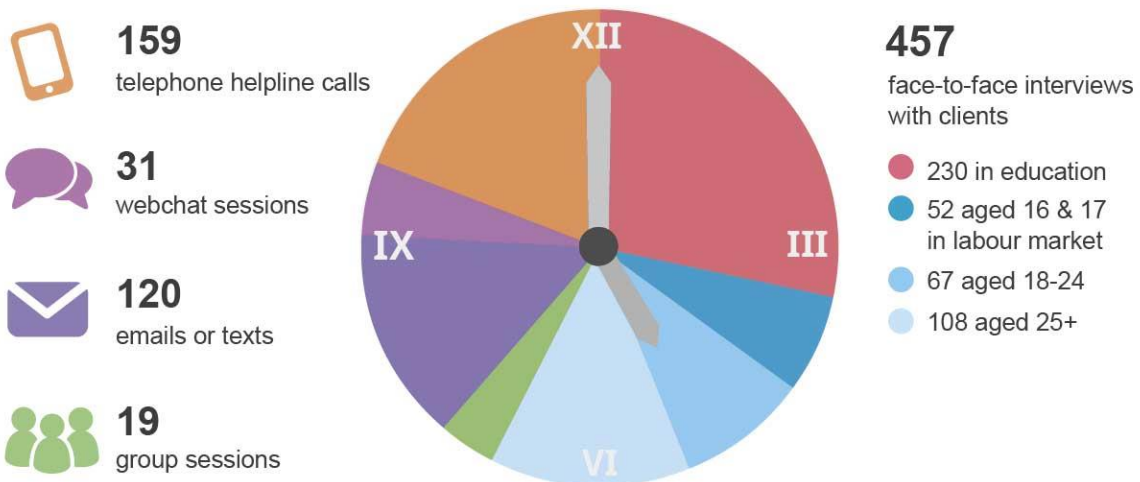
Our social media channels - Facebook, Twitter, YouTube and Instagram – continue to develop rapidly.



Through the delivery of our services we contribute to the following outcomes for people in Wales:

1. **Awareness:** People in Wales will be aware of, and understand, the learning, training and employment opportunities available to them and be able to make informed decisions about their careers;
2. **Aspiration:** With particular focus on those under 25 years of age – people in Wales will be ambitious and motivated to participate in employment, education and training;
3. **Ability:** People in Wales will become effective in the use of career management skills and competencies and in the management of their careers throughout their lives; and
4. **Action:** People in Wales will be equipped with the confidence, skills and ability to make successful applications for, and sustain engagement with, employment, learning and training opportunities.

On an average day during 2015-16 we undertook:



On average our Facebook posts were viewed **11,949** times and Twitter **6,100** times every day.

1.3 Key Performance Indicators

A remit letter from the Welsh Government outlining our contract, purpose and service offer can be found in appendix 1.

The remit letter sets four key performance indicators (KPI) for 2015-16. Reports from evaluations conducted found that Careers Wales achieved these.

- > **KPI 1: the organisation's contribution toward the sustained progression of young people through education and into employment or further training/education;**
- > **KPI 2: the organisation's contribution to reductions in the number of young people who are outside the Education, Employment and Training system;**
- > **KPI 3: the organisation's contribution to establishing effective school-employer engagement;**
- > **KPI 4: client satisfaction with the quality of service provision, including in relation to an integrated digital presence.**

Overview of Achievements

KPI 1: The sustained progression of young people through education and into employment or further training/education.

Careers Wales achieved each of the 4 Criteria set for KPI 1 and met 11 of the 12 tests of proof applied:

a. Criterion 1: Clients in Employment Education and Training (EET)

This compares and contrasts clients in EET as at 31st October / 1st November 2014 and 31st October / 1st November 2015. The Destination Census data reveals that the proportion of young people in EET in 2015 was 0.43 percentage points higher in total than in 2014 (95.47% in 2014 and 95.90% in 2015). Youth Engagement and Progression Framework (YEPF) data corroborates this finding, although with a much smaller increase of 0.07 percentage points of Tier 4 and Tier 5 clients participating in EET in 2015 compared to the previous year (90.09% in 2014 and 90.16% in 2015).

b. Criterion 2: Clients remaining in EET

Destination Census data reveals that the proportion of young people in EET on the 31st March 2016 was 0.43 percentage points higher than in March 2015 (94.81% in 2015 and 95.24% in 2015). YEPF data corroborates this finding, with an almost identical increase of 0.48 percentage point of Tier 4 and Tier 5 clients participating in EET in 2015 compared to the previous year (89.04% in 2014 and 89.52% in 2015).

Destination Census data evidences that the overall cohort proportion of clients sustaining participation in EET between 2015 (31st October 2014 to 31st March 2015) and 2016 (31st October 2015 to 31st March 2016) is virtually identical, albeit with a small differential increase of 0.003 percentage points in 2016 compared to the previous year. YEPF data identifies a more significant 0.42 percentage points improvement in young people sustaining engagement in EET between 1st November 2015 and 31st March 2016 compared with the same period in the previous year.

c. Criterion 3: Clients Identified as NEET October / November

See KPI 2.

d. Criterion 4: Clients remaining NEET

Destination Census data reveals that, proportionally, 0.46 percentage points fewer school leavers from the whole cohort were NEET as at 31st March 2016 compared to the same date in the previous year (3.47% 2015 and 3.01% 2016).

YEPF data corroborates this finding, identifying that 0.39 percentage point fewer clients were NEET (Tier 3) on 31st March 2016 than on the same date in 2015 (3.00% 2015 and 2.61% in 2016).

The Destination Census evidences that the overall cohort proportion of clients identified as NEET in 2016 (31st October 2015 to 31st March 2016) was 0.03 percentage points lower than in 2015 (31st October 2014 to 31st March 2015). YEPF reports contest this finding, providing evidence that the proportion of Tier 3 clients who were NEET in 2016 was 0.1 percentage points higher than in 2015.

KPI 2: Reductions in the number of young people who are outside the Education, Employment and Training system.

Careers Wales met the requirements of KPI 2 for the 2015–16 business year. A comparison of Pupil Destination data reveals that on 31st October 2015, there was an overall reduction in the percentage and number of young people known to be 'Not in Education, Employment and Training' (NEET) in comparison to 31st October 2014. The proportion of all pupils in the NEET category dropped by 0.43 percentage points (3.13 % in 2014 to 2.70% in 2015) and by 321 individuals (1991 in 2014 to 1670 in 2015). This is further corroborated by an analysis of Youth Engagement and Progression Framework (5 Tier Model) data, which concludes that fewer young people were NEET (in Tier 3) as at 1st November 2015 than the previous year. In 2015, 2.58% of the cohort (1855 individuals) were in Tier 3, 0.49 percentage points fewer and 432 individuals less than in 2014 (3.07% and 2287 individuals).

KPI 3: Careers Wales' contribution to establishing effective school-employer engagement.

In June 2015, Wavehill Consulting reported on the outcomes of 200 interviews with Careers Wales stakeholders conducted earlier that year. The survey directly links to KPI 3 as it included questions about the company's:

- > Career information, advice and guidance services;
- > Support for young people who are NEET;
- > School leaver placing and recruitment services offered to employers;
- > Brokering of links with employers to support the school curriculum.

Six groups of stakeholders were contacted: schools, colleges, businesses, training providers, job centres and local authorities. This research also allowed some findings to be compared and contrasted with a similar survey conducted by Beaufort Research in 2012. Major findings from the 2015 survey included:

- > General satisfaction levels were high across all groups;

- > All stakeholder groups agreed that Careers Wales is approachable, understanding of needs, values and respects others, and supports their organisation effectively;
- > 100% per cent of job centres were satisfied with the advice given to unemployed people;
- > 93% of colleges were satisfied with the advice given to students;
- > 92% of schools were satisfied with the careers guidance given to pupils;
- > 89% of businesses were satisfied with the support they received in recruiting school leavers;
- > 54% of schools were satisfied with Careers Wales brokering of links with employers to support the curriculum. **NB:** This relatively low level of satisfaction is explained by changes in Careers Wales' remit and funding, which had a greater level of impact on the Company's support for education business links than on some other services (see below). Moreover, the timing of this survey would not have provided feedback related to the "Business Class" programme, which was introduced to strengthen Careers Wales' brokering of employer support for the school curriculum.

All stakeholder groups reported that the changes in the Careers Wales budget and remit had adversely affected their organisations, although those surveyed generally believed that Careers Wales has managed the budget reduction well. The overall satisfaction level of Businesses and Training Providers is close to that of 2012, whilst Schools are now less satisfied and Colleges more so:

- > In 2015 Schools were the stakeholder group that were generally least satisfied with Careers Wales. The level of school satisfaction at 84% positive in 2015 is 10% less than in a corresponding survey conducted in 2012

Changes in Careers Wales' budget and remit appeared to be felt most sharply by Schools in 2015 (47% considerable impact, 23% some impact, 23% slight impact, 7% no impact).

KPI 4: Client satisfaction with the quality of Careers Wales' service provision, including in relation to an integrated digital presence.

In the 2015–16 business year, research reports, or fieldwork, that evaluated services provided by Careers Wales included:

- > A telephone survey of 200 Stakeholders conducted by Wavehill Consulting;
- > A review of research conducted about the Company's website and digital services;
- > A research report that compared and contrasted findings about Careers Wales' face-to-face and digital services with a study conducted about the Careers Service in Scotland;
- > A survey of 1,250 Year 11 clients who had NOT received face-to-face Careers Guidance from the Company.

Key findings (other than those for Stakeholders supplied at KPI 3) include:

Careers Wales Website

The review was based on four research studies:

- > Careers Wales services to Clients in Education (Beaufort Research 2015);
- > Careers Wales services to Clients in the Labour Market (Beaufort Research 2015);
- > Careers Wales Stakeholder Survey (Wavehill Consulting 2015);
- > Careers Wales Labour Market Information Survey (Beaufort Research 2013).

Findings include:

- A high proportion of Careers Wales' clients and stakeholders surveyed use the Company's website;
 - o 92% of local authorities;
 - o 91% of job centres;
 - o 91% of training providers;
 - o 88% of schools
 - o 83% of clients in education;
 - o 76% of clients in the labour market;
 - o 58% of businesses.
 - o 85% of colleges

- User satisfaction with careerswales.com also achieved significantly high ratings:
 - o Of clients in the Labour Market surveyed:
 - 93% found the information on the website easy to understand;
 - 93% found the information on the website helpful;
 - 86% found the level of information *about right* for their needs;
 - Most said that they used the website to search for job vacancies;
 - o Of clients in Education surveyed:
 - 95% found the information on the website easy to understand;
 - 96% found the information on the website helpful;
 - 86% found the level of information *about right* for their needs;
 - o The following proportions of Stakeholders commented that they were either very satisfied or fairly satisfied with careerswales.com:
 - 100% of job centres;
 - 91% of local authorities;
 - 85% of training providers;
 - 82% of colleges;
 - 79% of businesses;
 - 71% of schools;
- A Labour Market Information study conducted with 2000 Year 11 pupils in 2013 found that:
 - o The internet featured strongly as a source of information with the Careers Wales website featuring strongly;
 - o 84% of respondents had used careerswales.com as a source of LMI;
 - o Approximately 90% of pupils believe that it is easy to find Labour Market Information and nearly all (96%) state that they took account of LMI when making their career plans.

Careers Services in Wales and in Scotland

In January 2016, Careers Wales produced a desk research report which reviewed the outcomes of client and stakeholder surveys conducted since 2012, and compared these to the findings of a review of the Careers Service in Scotland: ***“What’s the evidence? Comparing the impact of career websites and other career support”*** (produced by the University of Edinburgh’s Centre for Educational Sociology in September 2013). Reference to this research is particularly useful as changes in careers service policy in Scotland have been similar to those in Wales, albeit implemented at an earlier date. Findings from this study included:

- > Clients of all ages prefer to access Careers Wales support through individual face-to-face contact rather than via telephone helplines or web enabled channels. These findings are mirrored by those in Scotland;
- > Lack of awareness of alternatives isn’t a limiting factor affecting people’s preferences for face-to-face interviews. This contrasts with Scotland, where clients appear to be less aware of digital careers services than in Wales;
- > Clients’ preferences about the methods of accessing Careers Wales’ services are also borne out by actual levels of use. Research in Scotland produced similar findings, although the take up of all CIAG services in Scotland is much lower than in Wales;
- > Clients are more likely to use non-traditional (digital) forms of CIAG provision where they have previously accessed face-to-face guidance;
- > Quality doesn’t appear to impact on preferences; The quality of Careers Wales’ services is very highly regarded across all delivery modes. Research in Scotland appears to concur, although with rather less evidence to draw upon;
- > Individual face-to-face services provide better client impact than other modes of delivery. This hypothesis is supported by findings from Scottish Research;
- > Client impact from Careers Wales rises in proportion to the amount, nature and range (blend) of services used. Research in Scotland advocates a more blended approach in the provision of careers services.

Year 11 Clients NOT in receipt of face-to-face Careers Guidance: Beaufort Research 2016

As recently as 2011, Careers Wales would have supported all young people in Year 11 with face-to-face careers advice and guidance. Since then, and in light of significant reductions in our budget, the Welsh Government has directed our services in schools to those young people at greatest risk of becoming NEET, or in greatest need of support. A total of 1,250 interviews were conducted across Wales with clients who were in Year 11 during the

academic year 2014-2015 and had **not** received a face-to-face, one-to-one guidance interview with a Careers Wales adviser during Year 11. All interviews were conducted by telephone in February - March 2016. The survey allowed some comparison with a 2014-2015 survey of Careers Wales Year 11 clients who *had* received a face-to-face guidance interview. Although feedback from both groups of young people on Careers Wales' services was very positive, those who had received face-to-face support recorded more significant improvements in their career management skills and competencies. There was also a clear demand for face-to-face support from those who had not received services through this channel. Other findings include:

Awareness of Careers Wales' Services

- > Nearly all of this cohort were aware of careerswales.com (95%) but awareness of other key services – telephone helpline (27%) and web chat (18%) – were lower;
- > Awareness of Careers Wales' social media presence was somewhat higher – 46% Facebook and 36% Twitter;
- > Awareness of services, other than careerswales.com, was generally lower than the equivalent group of clients who had received a face-to-face guidance interview.

Use of Careers Wales' Services

- > Around three-quarters (74%) had used careerswales.com since or during Year 11;
- > Use of other services was at much lower levels (2% telephone helpline, 2% webchat);
- > As with awareness, use of services was lower among this cohort than those who had received a face-to-face one-to-one guidance interview;
- > This could, in part, be due to lack of need amongst this more able group, but it also reflects that repeat face-to-face contact (as established in previous surveys) drives awareness and use of other Careers Wales services;
- > This group were more likely to mention family members and teachers as influences on their career plans than they were Careers Wales;
- > In terms of preferred method of future use of Careers Wales services, there was strong demand for face-to-face alongside more digital routes.

Impact of Careers Wales' Services

- > The majority of those who have interacted with Careers Wales services believed it had some impact on their decisions about career and learning choices;

- > However, strength of feeling (the proportion saying it helped *a great deal*) was less than for the equivalent group who did receive a face-to-face interview;
- > Perceptions of impact of Careers Wales' services improve as exposure to services increases;
- > The majority (8 in 10 or more) of those using Careers Wales' services believe Careers Wales has had positive impact on a range of Career Management Competencies. The most positive of these was *helped me to understand the opportunities available*, where 92% of those using Careers Wales' services agreed that this was the case;
- > Again, overall, strength of positive feeling on the impact of services on Career Management Competencies was lower than those who had received face-to-face guidance.

Fulfilling Year 11 plans

Approaching a third of this cohort (32%) have had some change in their career and learning plan since Year 11. This breaks down as follows:

- > For more half of this group (20%), this has been a change in subjects studied / area of learning;
- > A total of 6% had started down one route after Year 11 but had changed their status already by the time of interview (Feb - March 2016, approx. 7-8 months since the end of Year 11);
- > A further 6% had changed what they were planning to do in Year 11.

Satisfaction with career and learning choice

- > Whilst most agree that they had the help they needed and made the right choice for them, almost half wish they had known more (prior to their decision) about what they were now doing;
- > For the minority who wanted more help, uppermost in their requests were:
 - information about the options / wider opportunities available and
 - one-to-one support / someone to speak to.

02/Delivering Services in Education

Across Wales we worked with secondary schools, FE colleges and special schools to provide careers information, advice and guidance to young people in education. In the academic year 2015-16 we introduced a new offer for schools, providing flexibility to deliver services that met the individual needs of institutions and their pupils. The offer was agreed through our 'Partnership Agreement' with each school and college.

Our work within education focused on supporting young people to broaden their horizons and develop a realistic understanding of the labour market, the expectations of employers and the value of skills and qualifications.

96% of Year 11 achieved a positive outcome on transition at 16, 97.2% at 17 and 93% at 18.

We supported 48,643 young people on a one-to-one basis and 64,177 through group sessions to develop effective career management competencies and secure positive transitions at 16, 17 and 18.

Working with parents continued to be a key part of our work as we realise the influence that parents have and the support that we can offer them. **Last year we carried out 19,538 interactions with parents across Wales.** We regularly attended parents evenings and other events in schools and colleges.

2.1 Support for young people aged 11-18

2.1.1 Young people in schools and colleges

Careers Wales continued to support young people aged 11 – 18 in schools and colleges to improve their career management skills, motivating them to plan for the future and be proactive in managing their careers. Careers Advisers helped young people to become more effective decision-makers, using improved self-awareness and knowledge of a wider range of options to inform their decisions. Learning practical skills, such as job search, research, interview techniques, planning and networking helped young people to put their plans into action and access opportunities. We also aimed to make young people more resilient, more aware of how to access support and more able to persist in the face of setbacks and barriers.

The following case studies and information demonstrate some of the ways we have been delivering our support.

Supporting young people in education to understand Labour Market Information – Codi STEM

The prestigious Codi STEM event has now been delivered on three separate occasions in partnership with Grwp Llandrillo Menai and Ynys Ynni (Energy Island) with a further fair planned for July 2016.

All three events have been well attended by high profile employers who have provided pupils from Year 9 to Year 12 with opportunities to take part in interactive career activities. Evening events were also held featuring speakers from key stakeholders involved in future projects, e.g. Wylfa Newydd.

Following the first event; Dr Ian Rees the Principal of Coleg Menai stated that:

“Careers Wales’ involvement in arranging the day was instrumental to its success – building on the excellent relationship that already exists with schools in the area”.

The events have attracted over 1,000 young people from Anglesey, Gwynedd, Conwy and Denbighshire schools. The evaluation of these events have been overwhelmingly positive and demonstrated the impact on the learners:

- > 98.7% stated that they now know about the job opportunities related to STEM subjects that are available locally;
- > 100% stated that they now know what qualifications and skills are required for the future;
- > 100% stated that they would now consider a career related to STEM subjects in Anglesey and Gwynedd.

The aim is to develop ‘Codi STEM’ as a brand within North Wales and further develop the partnership to ensure that young people and parents are aware of the opportunities in the area that are on the horizon. Careers Wales will continue to play a major part within the partnership by providing its expertise and links with schools and colleges.

Supporting the benefit of the Welsh Language at secondary school

The Welsh Department at Ysgol Dyffryn Aman arranged a full day of activities for Year 9 pupils to raise their awareness of the importance of the Welsh language. The day involved interactive activities that were aimed at developing their language skills and addressing barriers such as race and stereotyping.

Careers Wales were asked to support the event by delivering six interactive workshops focusing on raising the aspiration of Welsh speakers, both first language and learners, in terms of opportunities within the workplace and the importance of the language as a valuable skill that employers seek.

During the workshops the adviser signposted pupils to ‘Dewis Da – Why Choose Welsh?’ on the Careers Wales website as this highlights the demand from employers for Welsh

speakers.

Supporting the Youth Engagement and Progression Framework (YEPF)

We have continued to play a major role in the delivery of the Youth Engagement and Progression Framework with good examples of partnership working in numerous Local Authorities.

In Pembrokeshire, for example, there are regular meetings in each school where they have case conferences to discuss pupils referred by each school (by Head of Year / Head of Social Inclusion). A range of professionals attend the meetings and it is a priority that school advisers attend, so that they can contribute to discussions and have an input on recommendations made for individuals.

These panel meetings will roll out to year groups 7-11 from September 2016.

These meetings have highlighted and tracked the highest priority pupils who perhaps otherwise would have been lost in the system. As these are monthly reviews, professionals around the table are able to update everyone regarding the progress/non progress of these pupils, and key workers established to ensure that the pupils have the appropriate support.

In Newport, the Area Manager and the EPC jointly delivered a session to Heads of Sixth Form to look at a more consistent approach to identifying Tier 4 clients. This has enabled Careers Wales to offer appropriate support to these students and track and monitor their progress. Following on from this meeting, a Newport-wide procedure was developed for all schools to use from September 2015.

Raising awareness of Design Technology in Bridgend

The event was organised to raise pupils' awareness of the career pathways and opportunities available using technology subjects. All Year 9 students took part in a round robin session with employers, including an Architect, Engineers, a Product Designer and Fashion Designer. Our Careers Adviser also delivered a session on GCSE options, how to make informed decisions and linked this with local and national LMI.

The following feedback was received from the school's Head of DT:

*"I just wanted to extend my gratitude to you for your involvement in yesterday's careers event. The feedback from the pupils and the staff was extremely positive and I hope that it will prove successful in improving the profile of the subject and its uptake at GCSE.
It is extremely important, as I am sure that you all agree, that we keep working to show the world how important design and manufacture is."*

Working collaboratively with a Youth Service

A Careers Adviser based at Brecon High School worked closely with The Youth Service who delivered 'Inform Education' sessions to those 'most at risk of becoming NEET'. She supported the programme with CV writing, additional input in discussing options and confidence building. Parents were also invited to a presentation afternoon and had the opportunity to discuss their plans as a family. This support certainly had an impact, as all of those leaving Year 11 who were classed most at risk, successfully secured places in FE and have coped well with the transition. The Careers Adviser has been in touch with the pupils and monitored their progress to date.

2.1.2 Young people with statements of SEN or equivalent

1,364 Learning and Skills Plans were agreed, 109 funding applications for specialist residential funding were submitted to Welsh Government and we contributed to 4,447 transition reviews.

Our services continued to focus on meeting the requirements laid down in the special educational needs code of practice:

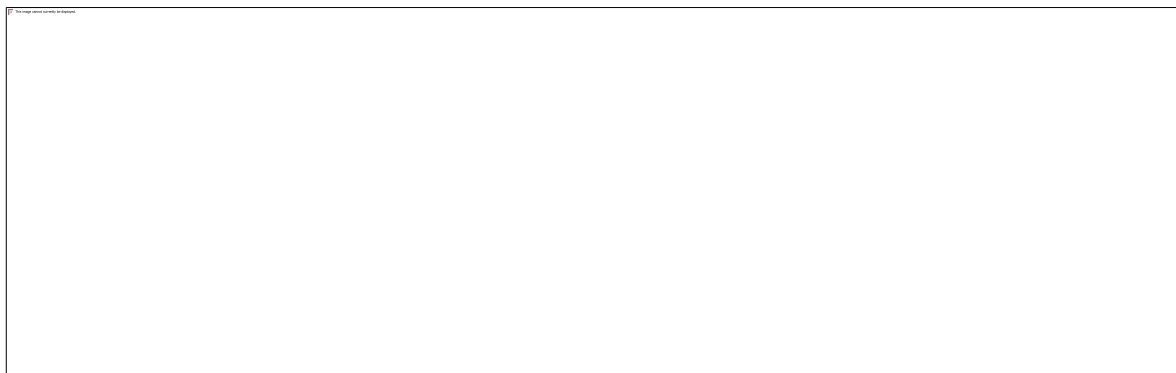
- > Face-to-face interviews;
- > Attendance at transition reviews;
- > Providing a moving forward plan and relevant information;
- > A Learning and Skills Plan for those entering further education, higher education, specialist college provision or work-based learning;
- > Submitting specialist funding applications;
- > Support for parents.

We continued to work with other key professionals so that young peoples' needs were assessed jointly, including Special Educational Needs Co-ordinators (SENCOs), parents, educational psychologists, counsellors and health professionals. All learners with statements of SEN and those who were school action/action+ and going through the formal transition process were supported, with particular help focused on Year 9 transition planning and years 11, 12 and 13 or annual reviews, Learning and Skills Plans and Further Education (FE) specialist funding applications. We are particularly proud of the innovative programmes of support developed through the year, examples below:

'What Next' event in South Central Region

Careers Wales organised an event targeted primarily at young people with additional learning needs. The aim of the event was to help young people to make appropriate decisions for the future, by providing them with the opportunity to have short taster sessions in a range of activities and to see a variety of community based activities and organisations. There was a wide range of activities to try, from catering to animal care and drama to civil engineering. The event was supported by over 20 organisations, including training providers, colleges, voluntary organisations and employers.

348 young people from Years 10-14 attended the event from mainstream and special schools in Cardiff, Vale of Glamorgan, RCT and Bridgend. Feedback was extremely positive from young people, teachers and partners.



To encourage pupils to attend we also managed to get Crystal Yu (Dr Lilly Chao in Casualty) to attend. As well as talking to the young people, Crystal also took part in one of the drama workshops, which was greatly appreciated by pupils from Park Lane Special School.

Carmarthenshire Careers and Skills convention

Special schools were encouraged to attend the event held at Parc y Scarlets in March, and pupils from Heol Goffa, Rhydygors and Canolfan Elfed at Q E High School attended, with excellent responses received from both staff and pupils. Alan Carter, Deputy Head at Q E High, commented at a recent 14-19 meeting on the excellence of the Careers Advisers in helping pupils and supporting them throughout their time at the convention. He later wrote that he was: "... extremely impressed with the event and, hopefully if the event is running next year, would definitely like pupils to attend".

Parents Event at Coleg Meirion Dwyfor

Following the annual taster week that took place at the Independent Living Skills Department at the campus in Dolgellau, the college invited Careers Wales' local ALN adviser to support an afternoon event for parents. This gave parents the chance to discuss concerns, raise queries and develop their understanding of the transition process. The event was a real success with excellent feedback from parents.

The afternoon was considered a success by all involved as it gave parents the opportunity to get together and talk to relevant staff members and the ALN adviser. It showed parents how the college and Careers Wales work together to support young people, ensuring a smooth transition for them from school to college.

Coffee Morning 'Pop-up Careers Fair' at Canolfan Addysg y Bont, Llangefni

During partnership agreement discussions with the Assistant Headteacher at Canolfan Addysg y Bont, it became clear that one of the main priorities for the school this academic year was to develop a strategy to engage parents/guardians of 'younger pupils' in their future career choices and decisions, including sharing information regarding the options available to them.

The adviser discussed possible ways of achieving this, as past experiences of holding careers conventions at the school hadn't been successful, with minimal attendance, especially from parents of younger pupils. It was agreed that the parents would be approached to ask if a 'pop-up careers fair' could be held during one of their monthly

parent/guardian coffee mornings. By tapping into an existing forum of parents, it was hoped that more parents would attend due to the nature of it being an informal information morning. The event was organised in partnership with the school, with the Careers Adviser taking responsibility for contacting local providers to attend and the school sending information to all parents. Parents were provided with information from local FE colleges, specialist colleges, Social Services and support services such as Mencap. The adviser also provided a presentation on Careers Wales services and support currently available.

The event was a great success with around 25% of learners' parents/guardians attending. A great improvement on previous events. There was a variation in ages from parents/guardians of those in early years, to parents/guardians of those in leaver groups. Just under half of those attending were parents/guardians of learners who were younger than Year 9. As a result, it had been a useful contribution to meeting the school's priority to engage parents/guardians of younger pupils in future careers choices and decisions. Feedback was very positive from parents, information providers and the school. Discussions will now take place as to how this can be developed, and whether pupils could also attend this morning and take advantage of the vast amount of information available to them.

2.1.3 Young people educated otherwise than at school

Careers Wales offer bespoke support for young people who are educated otherwise than at school. We work in partnership with other key agencies to support these client groups and to ensure that services are delivered in a way that suits their specific need. This bespoke support is delivered in pupil referral units and other community based provision and includes assessment of need, guidance and information, advocacy, coaching and mentoring.

Example of our work supporting a specialist secure unit:

The Careers and World of Work Co-ordinator (CWOW) started working with a specialist secure unit in October 2014, after they had an inspection and it was highlighted that they did not offer anything in relation to CWOW. They achieved the Careers Wales Mark in July 2015 and were inspected again in September. The following e-mail was received in recognition of our support:

"Our inspection went well they were extremely happy with the Careers Mark and that we provide the pupils with excellent careers lessons. They were impressed that the pupils carry out work experience and entrepreneurial activities. They were impressed that the pupils learn about LMI and were pleased that the pupils are gaining skills in writing cover letters, CV's and had mock interviews. I have passed on your name to them and told them that you give us lots of support. Thanks for everything. Careers is no longer a concern for them."

2.2 Facilitating Links between employers and education

2015-16 has been a busy year for Careers Wales as we continue to build on the strong foundations, laid over decades, in facilitating and developing links between education and employers. This year has witnessed a continuance in the development of strong and productive partnerships between education and work. Careers Wales engages with employers for the benefit of our wider client base with two primary goals:

- > To promote and support the development of productive and sustainable partnerships between industry and education for the benefit of learners, employers and the wider economy;
- > To support employers by signposting to sources of information and advice on the recruitment of young people and, at the other end of the scale, by supporting employers and their workforce during times of potential or actual redundancy.

During 2015-16 Careers Wales has facilitated partnerships between schools and business via both the BiTC 'Business Class' model and via a range of education-business activities negotiated with schools and colleges.

Business Class activities during the year



Photo: Deputy Minister, Julie James, at Ysgol Glan Y Mor, Burry Port, to launch the expansion of Business Class Wales programme.

Throughout the year Careers Wales has worked with Business in the Community to roll out the Business Class framework to schools in pilot areas across Wales.

Business Class is a tried and tested programme which builds lasting partnerships between businesses and schools. Those partnerships, based firmly on the needs of the school and the priorities of the business, will transform the life chances of young people and develop talented employees for the future.

By bringing business and schools together in a structured way, Business Class improves young people's understanding of the world of work and their awareness of career choices, and develops their employability skills.

The programme has proved very popular with schools and businesses across Wales this year and we have already drafted a waiting list for next year. During the year, we have focused on the establishment and maintenance of 60 education-business 'partnerships' across the whole of Wales in a range of locations, including rural, urban and city locations.

The programme was launched at an event at the Senedd in October 2015 and also at Ysgol Glan y Mor in Carmarthenshire.

Case Studies for Business Class:

Caerphilly Cluster



The development of the Business Class cluster in Caerphilly has been particularly successful. The positive approach of the schools and the eagerness of a range of employers in the area to participate, means that it was possible to set up the whole cluster within 3 months (in comparison with some that have taken between 9 and 18).

The cluster is made up of 5 schools and businesses. Careers Wales Business Engagement Advisers match businesses and schools, through assessing needs of schools and matching them to the 'Business Objectives' completed with the businesses. Each school has therefore been matched with the business which is best able to support their individual needs.

The cluster is made up of the following partnerships:

- > Keepmoat – matched to Blackwood Comprehensive;
- > Glenside Commercials – matched to Lewis Girls School;
- > DS Smith Packaging – matched to Risca Comprehensive;
- > IQE – matched to St Martin's Comprehensive;
- > Lloyds Bank – matched to Bedwas Comprehensive.

The first event was based on a 'Maths in the Workplace' theme. This was delivered by the Eden Lego Education Centre and supported by ambassadors from a range of businesses that all use 'maths' in their work.

Heads of the Valleys Cluster Year 8 Event

A highlight for the delivery of Business Class was the Year 8 'Green City Challenge' event that was held within the Heads of the Valley cluster of schools. The day itself was the culmination of intra-schools competitions, which have been taking place in each of the five schools with support from their business partners. During these sessions, students learned how to build and program simple robots using LEGO educational resources, including 'mindstorms' provided by the Eden Education Centre.

The event was supported by a team of judges from the building sector. Taking into consideration what they had already learned in previous sessions, pupils were asked to build and program robots and then manoeuvre them to complete set tasks/challenges. Importantly, all participants were given the opportunity to develop many work-related skills, such as teamwork, communication, problem-solving, resilience and creative thinking. The final was an opportunity for the winning teams to demonstrate the skills they had learned.

The event received excellent media and press coverage, including interviews with pupils on Radio Wales and the ITV Wales news.

Education-business activities during the year

In addition to the fostering of sustainable partnerships via the Business Class programme, Careers Wales facilitated a range of education-business activities across Wales this year. Examples include:

Gowerton School - Careers and World of Work Days for Year 10

This year Gowerton school in West Wales decided that they wished to look for an alternative to 'block' work experience placements for pupils in Year 10. They worked with Careers Wales colleagues to plan a week of world-of-work activities that would engage young people and incorporate employer engagement. After consultation, a programme of events was agreed and planned. Careers Wales staff facilitated the identification and recruitment of employers for the sessions and participated and even led on some of the activities, where appropriate.

Year 10 pupils at Gowerton School were involved in 4 days of work-related activities between 30th June and 2nd July. They gained a valuable insight into the world of work and at the same time generated evidence which was used for their Welsh Baccaalaureate qualification.

For the first 2 days pupils took part in a carousel of activities. Careers Advisers delivered sessions on Career Check/Year 11 Options, utilising the Ideas Quiz and Writing Personal Statements sections of careerswales.com. Employers and external organisations delivered sessions on Interview Preparation, and role models from Big Ideas also attended. There were also team-building activities delivered by staff from Swansea University and the RNLI.

During the final two days, pupils underwent mock interviews led by employers. They used the careers questionnaire and personal statement, which they produced during the first 2 days, as an application form, which was read by the employers, and feedback given on both these and the interview.

The sessions were very well received by school staff and pupils. One teacher, who was present during the personal statement session, commented that pupils were discussing the content of the lesson in the corridor afterwards and that he saw how they applied this learning in later group works. Another teacher emailed the following comment:

"Congratulations on a fantastic two days of work related education. Not only did the pupils enjoy it and get a lot from it, so did I. It was particularly pleasing to see so many of what are sometimes referred to as 'disaffected' pupils get so involved with what they were doing and really want to. Well done for reaching out to these young adults and in many cases make them think (maybe for the first time) about their working futures."

Business Ambassador Training

A training session was delivered at the Department of Work and Pensions contact centre in Bridgend on Wednesday 23rd September. A total of 8 new Business Ambassadors were involved in the workshop delivered by Careers Wales Business Engagement Advisers.

Business Ambassador training aims to train and prepare employers to enter a school environment and helps them to prepare for what is, for many of them, an unfamiliar environment. Participants come away from the workshops with the following outcomes:

- > An understanding of why their input adds value to the curriculum in Wales;
- > Confidence to present their message to a group of students;
- > An appreciation of learning styles and how they will present their message to students;
- > An awareness of what the school will expect of a Business Ambassador and what they can expect from a school;
- > Being ready and enthusiastic to start working in schools.

Feedback received was very positive and 3 employees have already signed up for Mock Interviews in Bridgend Schools.

Carmarthenshire Careers and Skills convention

In March, the annual Carmarthenshire Careers and Skills fair took place at the Parc y Scarlets stadium in Llanelli. Over 2,000 pupils from KS4 from all schools across the county participated, along with over 70 business exhibitors. The event was organised by Careers Wales but was funded by the local College (Coleg Sir Gar) and the local authority (Carmarthenshire County Council).

The event combined traditional opportunities for young people to speak with employers, with a 'have a go' area facilitated by the college, where young people had the opportunity to try out skills and vocational areas, e.g. virtual welding, operating 3D printers, cooking, bricklaying etc. They were also given an insight into the range of apprenticeships available in different sectors and future job prospects. The event is always held during National Apprenticeship week and offers an opportunity for school pupils and teachers alike to find out more about apprenticeships and work-based learning as an alternative to academic study.

2.3 Capacity building in schools and colleges

2.3.1 Careers Wales Mark

The Careers Wales Mark accredits establishments that have committed to the continuous quality improvement of their Careers and World of Work provision. Establishments have to commit to, and demonstrate that they have active procedures in place to ensure, quality outcomes for learners.

The Mark was developed following the introduction of the framework for Careers and the World of Work as part of the revised curriculum (2008). During the year our Careers and World of Work Co-ordinators facilitated 367 consultancy meetings relating to the Mark in schools and colleges. To date, 136 schools, 22 special schools and 11 FE colleges (includes separate campuses) have now successfully achieved the Mark.

The case study below provides an example of how the Mark can provide the basis for whole school support for Careers and World of Work provision:

Careers Wales Mark – involving the governing body at Llanwern High School

Careers Wales supported Llanwern High School to achieve the Careers Wales Mark for the first time. We linked this support with the school's governing body, in conjunction with their development plan and appointment of a Governor to oversee the Careers and the World of Work framework within the school curriculum.

We established a sub group that fed directly into the governing body, chaired by the Governor responsible for CWW. The group was attended by the Director of Business at the school, our Careers Adviser and the Careers and World of Work Coordinator, and was supported by the school's senior leadership team. The group met once a term and examined all aspects relating to CWW and its inclusion within the curriculum. It made recommendations and suggestions, and reported back into the governing body, thus ensuring that the World of Work was given the highest priority.

This initiative resulted in meetings with the South East Wales (EAS) consortium lead officer for governor training, who encouraged others, including the Welsh Governing Body Association, to explore the potential of establishing similar links and relationships between governing bodies and the curriculum.

2.3.2 Resources and Training

Resources for teachers have been updated. The process of mapping these against the Careers and World of Work framework is continual. Resources provide teaching staff with practical ideas and activities for delivering careers lessons in an education context. They are particularly useful for teachers who are new to the Careers and World of Work curriculum and direct them to useful parts of the careerswales.com website, where they will find activities and information.

Developing resources achievements

Work includes:

- > Developing session materials linked to the measure / offer;
- > Mapping resources for the careers resource directory e.g. Panjango;
- > Developing resources for core offer;
- > Updating supporting resources for WBQ;
- > Producing joint Careers Wales / EAS newsletter;
- > Development of the professional section part of careerswales.com;
- > Meeting with EPC in Torfaen to further discuss potential of developing local LMI video;
- > Produced resources to support menu of services for discussion with schools;
- > JGW / AMS resources;
- > A significant allocation of time to develop resources to promote the LMI publication that has been produced in partnership with the North Wales Economic Ambition Board.

Capacity Building Training

We have delivered 120 sessions with partner organisations. The topics have included:

- > Welsh Baccalaureate training to Gwynedd and Anglesey co-ordinator group;
- > WBQ KS5 enterprise and employability challenge sessions;
- > 14-19 'offer' training;
- > Uploading KS4 courses on careerswales.com;
- > Learning Pathway Plans;
- > Overview of careerswales.com – tools and resources

- > LMI;
- > WBQ training for new Careers and World of Work Co-ordinators;
- > Apprenticeship application;
- > My future my site;
- > Careers and World of Work Framework sessions;
- > Measure / Offer and links to CAP.

Training Case Study

Supporting training for the Welsh Bacc. at colleges in the North

Following the positive feedback from the Welsh Bacc. training sessions with the staff at Coleg Llandrillo Menai, the 14-19 Coordinator at Coleg Meirion Dwyfor requested sessions in both their Pwllheli and Dolgellau sites. The training centred around the Careers Wales website and the resources available to support them. Many of the 15 staff involved were delivering on this curricular area for the first time this year.

The main focus of the sessions was on the challenges of entrepreneurship and employability for the higher level of the qualification. This is a key area, as it is mandatory for learners who are studying the higher level to create a 'Destinations Plan' and to submit evidence that they have understood the labour market and know how to stand out when applying for jobs. Demonstrating the website and resources clearly shows their great potential and how they will reduce much of the work for the co-ordinators. They recognised that the resources are easy for the learners to follow and that it would be possible for them to continue with the work independently without guidance from staff. There has been further very positive feedback and more requests to support similar training across other college sites.

Capacity Building Consultancy Meetings

We have facilitated 198 meetings, including with:

- > EB forum in Bridgend;
- > ALN and mainstream Careers Co-ordinator forums;
- > School Challenge Cymru event;
- > Planning teacher training event at Merthyr College;
- > Meetings with WJEC Development Officers re: Welsh Baccalaureate presentations;
- > Meetings with schools / colleges;

- > Capacity building with Coleg Gwent Newport City campus;
- > Meeting with EAS regarding joint CW/EAS newsletter;
- > Lead Worker Co-ordinator capacity building session with EAS;
- > Meetings with regional school improvement consortia;
- > Business Class needs analysis meetings;
- > Supporting schools / colleges with Estyn inspection preparation.

Meetings Case Study

Careers Co-ordinator Forums in Rhondda Cynon Taff, Merthyr and Bridgend – sharing of good practice

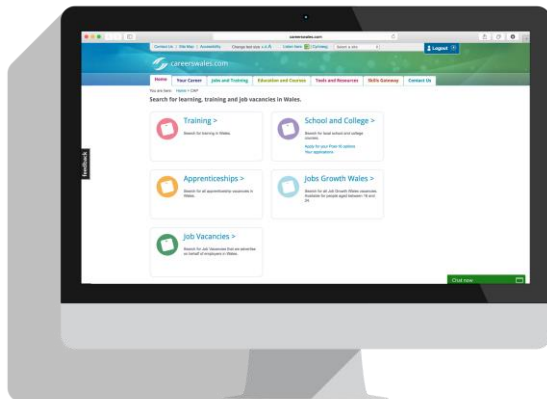
A series of Careers Co-ordinator forums have been established in RCT and Bridgend to share good practice, provide updates, identify training and share resources. The following groups are now established:

- > RCT 'Taff' schools;
- > RCT 'Rhondda' schools;
- > RCT 'Cynon' schools;
- > Merthyr schools;
- > Bridgend schools;
- > Merthyr and RCT ALN forum.

The groups are being used to promote the role of Careers Wales in capacity building and to outline our services. The initial meetings have resulted in positive feedback and an agreement to prioritise:

- > Raising standards in CWW provision;
- > Sharing of good practice to identify exemplar CWW programmes in KS3 and KS4;
- > Identify how the 8 benchmarks included in the Gatsby report can be applied to RCT and Merthyr schools;
- > Ensure colleges are up to date with latest research e.g. the STEM LMI report.

2.3.3 Awareness of the Common Area Prospectus (CAP)



Careers Wales continued to work closely with Welsh Government to further develop the online Common Area Prospectus (CAP) to enable young people in Year 11 to view all post-16 courses available in their area. During the year we delivered 146 CAP related training sessions in schools and colleges.

We are particularly pleased with the support that we offered schools and colleges in the autumn term, following a request from Welsh Government for all institutions to publish course data on CAP by October 31st. During that time we provided initial or refresher training to in excess of 40 schools and colleges. As a result, 83 11-18 schools (57%) uploaded their data independently, which is a significant improvement on 2014/15.

Following the decision by Welsh Government to withdraw the application process element of CAP, we agreed to facilitate a series of regional CAP user groups, to focus on how the prospectus can be developed and improved, how it can be further embedded in Careers and World of Work programmes and what resources would be required to support schools and colleges. We will report our findings to Welsh Government in order to support the strategy for CAP during 2016-17.

03/Delivering Digital Services

We have continued to develop our digital services providing clients with the opportunity to access services at a time and via media that best suit their needs.

3.1 Website

Our website, careerswales.com, has continued to thrive and grow with the release of several new and notable tools and products throughout the year, providing a better online careers service for its users.

Website usage 2015-16:

- > Overall numbers of visits (sessions) to the website: 1,452,235;
- > No. of unique visitors to the website: 792,021;
- > No. of users of AMS/JGW: 273,394;
- > No. of new registered accounts: 45,965;
- > No. of users of Courses in Wales: 80,904.

Career Search and Job Information

Throughout the year we have updated all the information that supports the Career Search and Job Information sections on the site. Over 40 new job titles have been added to the site to reflect changes in the labour market. Each of the 800+ job details have been reviewed and updated in year.

Job Trends

We continued to review, update and refresh our Job Trends section during the year. These sections on the website provide information about specific sectors and the current and future labour market trends. All these sectors reflect the Welsh Government's priority sectors and the new titles are:

- > Creative industries;
- > Life Sciences;
- > Tourism, Hospitality and Leisure;
- > Food and Farming.



Working with the North Wales Economic Ambition Board (NWEAB) we have a new variation of a Job Trend being launched in 2016-17, called 'Spotlight on North Wales'. This Spotlight explores the labour market for a region of Wales rather than focussing on a particular occupational sector.

Careers in... series

The 'Careers in...' series is a relatively new feature and aims to fill gaps for economically important occupations in Wales because they are part of a footprint covering a large breadth of occupations. The first Careers in.. series launched towards the end of the year was in Hair and Beauty.



Carousel Features

Every week a new feature is added to the site providing new careers content for users to engage with, supporting their career information needs. The carousel also supports a lot of national campaigns and events, for example to raise further awareness of Welsh Government initiatives that support individuals in Wales with learning and Job opportunities. In supporting these campaigns and events new content including case studies, videos and additional content is added to the site supporting initiatives such as Apprenticeship Matching Service, Jobs Growth Wales and Skills Gateway.

Employment Routes

Working with Welsh Government a new Employment Routes tool went live on the site. This tool enables all individuals to access information on all the approved Welsh Government funded programmes.

The tool matches a client's circumstance based on the information they supply against both national and regionally funded programmes, so all those they are eligible for will be presented back. Users are then provided with what steps to follow next, should they wish to investigate a particular programme further.

Job Matching Quiz

24,423 users generated personalised career ideas matched to their skills and interests using the Job Matching Quiz on our website.

Your Profile

Changes were made during the year merging the Vacancy Profile to Your Profile. These changes have brought about a number of improvements that users can benefit from:

- > a responsive design layer - the appearance of the profile pages will adapt to the screen size providing a much better experience to users on mobiles or tablets;
- > one centralised profile for users to complete;
- > This one profile will be the centralised location that all profile information will be stored for other areas of the site such as CV builder, Apprenticeship Matching Service and Jobs Growth Wales applications and the Learning Pathway Plan.

Home Page

A new home page went live on our site in September 2015. The final version was the product of evidence collected from site evaluations, analytics, user research and user testing. The home page now provides a simpler layout for the user to navigate through. The most popular tools and resources are placed on the home page, enabling most users to get to where they want to in a single click. From the user testing carried out we received extremely positive comments, with users feeding back how well designed and easy to use the new home page is.

3.2 Webchat

We have seen a 43% increase in our web-chat sessions during this year, with 7,634 chat sessions compared to 4,360 in the same period last year. This represents an average of 636 per month or 31 per working day.

Accessing webchat had previously been limited to a link from the 'contact us' page. With 'Live Chat' the option to 'chat now' is visible on every web page, as well as on our Facebook pages and the mobile app.



3.3 Careers Wales Connect – Telephone Helpline



Our telephone helpline offering free careers information, advice and guidance continued to be a popular service with customers. During 2015/16 Careers Wales received over 39,000 calls. During the year, the helpline was subject to an external mystery shopper exercise as part of our role in supporting the Individual Skills Gateway.

The results of the survey identified that overall, the service was felt to be excellent by customers the majority (88%) of callers described themselves as feeling satisfied with their call. Additionally, most of the callers were happy with the amount of information they received over the phone, and the majority (84%) felt the information was relevant.

Our advisers were rated highly for how they dealt with the customers, with 83% of callers reporting that the assistant put them at ease, with one mystery shopper stating,

“I had a great experience. I think I may call her back for careers advice for myself! I don't think I could say anything more complimentary!” – Experienced job seeker

During the year around 1 in 5 callers were subsequently referred to a Careers Adviser for a call-back, which is the same as for last year. We ceased making provision for 'live' guidance transfers, except during the examination results period in the summer, because of the relatively low demand and the challenges of making provision for this service at a time of reducing resources.

Helpline Case study

Client J was referred to us by a relative for CV support as he had recently graduated and was struggling to find work. The Careers Wales Connect adviser, reviewed the client's CV job search technique whilst on the phone. Client J had a vague idea of the types of job he would like to do but wasn't sure where they were advertised or how to apply. Client J's long term goal was to work in theatre or television, but wanted to find any work in the short term to provide an income.

The Careers Wales Connect adviser discussed using the Apprenticeship Matching System on careerswales.com and provided the Cardiff vacancy bulletin. Following regular contact, a month later client J was still unemployed so the Careers Wales Connect adviser recommended using recruitment agencies.

The client had initially been put off using these by a friend but after being reassured about how they worked, the client was happy to sign up with them. The Careers Wales Connect adviser sent, via email, a list of recruitment agencies and explained how to use them. As a result of signing up to the agencies Client J secured two part time jobs immediately. The client is happy with these as they are flexible enough to allow him to follow up other opportunities including voluntary work, whilst providing an income and experience to put on his CV.

3.4 Social Media

Communicating to our audiences via the right medium is essential in order to increase engagement. Our utilisation of social media as a key communications tool has increased substantially this year.

All our social media channels have seen increases in both followers or likes and engagements:

Facebook

Likes – 6,298 on 31st March, 2016 - an increase of 858% over the year

Reach - the number of people who have seen any content associated with your Page – 3,217,188 for the year

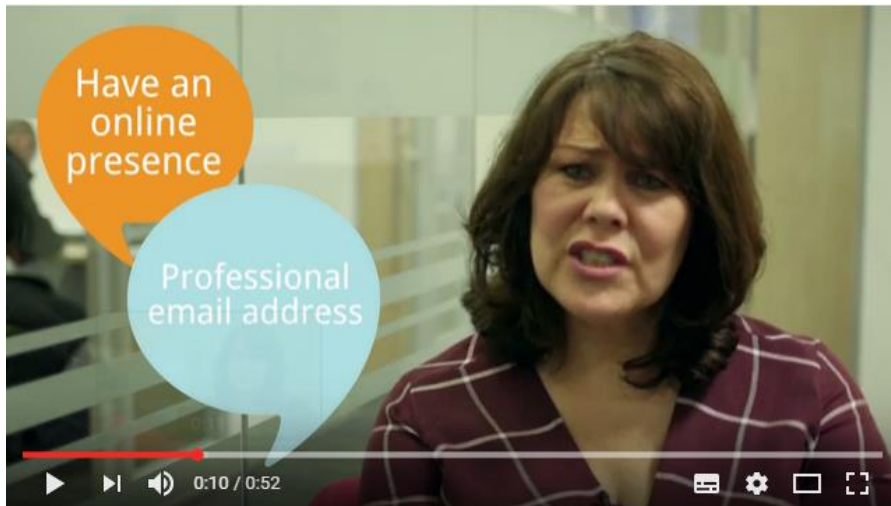
Twitter

Followers – 9,527 on 31st March, 2016 – an increase of 45% over the year
Impressions –the number of time our tweets were seen - 2,385,602 for the year

Video

We also created many advice videos on a range of topics, such as:

- > 6 ways to help your job search;



- > How can I change my career?;



- > What is ReAct?



- > Why is work experience so important for graduates?
- > What should I write on a CV?
- > What is an apprenticeship?

In total these have received in excess of 250,000 views after being promoted on our social media channels.

Campaigns

We have also delivered a number of social media specific campaigns such as:

- > Post October half term college drop out – campaign to reduce the number of student dropping out of college post October half term period.
- > Exam results campaign – online promotional activity to increase the awareness of our advice and guidance service post A-level and GCSE exam results.
- > Spotlight/job trends series – range of campaigns to increase the awareness of the LMI data
- > Christmas jobs – social media push to raise awareness of the opportunities available over Christmas.

Careers Wales
Published by Dan Finch [?] · 12 August 2015 · €

Need exam result advice? #askCareersWales
Live Facebook surgery
Friday, August 14, 11am-1pm
Our expert advisers will be here to answer your queries.

Careers Wales
Written by Dan Finch [?] · 5 November 2015 · €

Are you thinking of dropping out of college? Wish you'd chosen a different course? Need some advice? Get help from the experts, call today - 0800 028 4844

Thinking about dropping out of college?

careerswales.com
webchat
0800 028 4844

28,868 people reached

Like Comment Share

Shakira Heath, Sophie Smith and 126 others

Top comments

Careers Wales
Published by Dan Finch [?] · 12 August 2015 · €

Need exam result advice? #askCareersWales
Live Facebook surgery
Friday, August 14, 11am-1pm
Our expert advisers will be here to answer your queries.

#askcareerswales

Live Facebook surgery
Ask our experts
A-level exam results advice
14 August, 11am-1pm

40,263 people reached

Boost post

Like Comment Share

Peter Deganwy, Alun Rogers and 49 others

3.5 Emails sent from IO

In order to engage and maintain contact with customers requiring support we also sent over 105,000 emails to clients through our IO database.



04/Delivering Services in the Labour Market

During 2015-16 services were developed and delivered following guidance in the Welsh Government Remit to support the Youth Engagement and Progression Framework (YEPF) for 16 and 17 year olds and to mirror the Individual Skills Gateway for 18-24 year olds.

We supported 20,739 unemployed 16-24 year olds through one-to-one guidance, information and advice interactions and a further 2,733 unemployed 16-24 year olds accessed support through our employability group sessions and job clubs.

5,760 clients in work based learning or employment continued to receive support to sustain engagement and help them navigate their career paths successfully.

We continued to work with Welsh Government to provide services that underpin the Youth Engagement and Progression Framework¹. We tracked and managed data on all 16-18 year olds through our Five Tier Model of Engagement. We embedded our role as “lead worker” in tier 3, supporting unemployed young people to re-engage with education, employment or training. We continued to work in partnership with a range of organisations to develop effective support for young people who were not ready or able to enter education, employment or training and to follow up those who have become “lost to the system” and need proactive follow-up.

4.1 Support for Clients in the Labour Market

We continued to develop innovative and effective strategies to support clients in the labour market, examples of which are as follows:

Pilot of a Career Badge in Neath



March saw the launch of the ‘Careers Wales Credits’ pilot in Neath Port Talbot. The aim is to offer a menu of services: employer workshops, CV sessions, guidance sessions, and to use these activities to build up a “credit” that has a recognisable value. The scheme is not age specific but is mainly attended by 16 – 24 year olds at present.

¹ <http://gov.wales/docs/dcells/publications/131007-ye-framework-implementation-plan-en.pdf>

The first group met in our Neath centre with a series of activities being held over 2 days, including Barclays Bank supporting the clients with their employability skills. 14 clients attended and 1 has already found full time employment in a marketing role in Cardiff. The feedback has been overwhelmingly positive from the clients and we are now looking to formalise their progress using a work plan.

Skills to Succeed

We have continued to build on the success of our partnership with Accenture Ltd this year, delivering the interactive job search programme 'Skills 2 Succeed Academy' to a range of young people and adults across Wales.

A total of 1,138 clients have been registered to use the resource as part of their mediated job search activities. In following up on the progress of clients, we have found this year that 30% of those who used the resource had progressed to a positive outcome during the year. This is good news for job-seekers in Wales and demonstrates that a proactive and structured approach to developing employability skills can be successful.

Camilla Drejer, UK Director of Corporate Citizenship from Accenture said in a recent press release:

"We have the same aims as Careers Wales, and want to reach as many young people as possible so they are properly equipped for the world of work. Careers Wales already help so many people across the country, so it made sense for us to team up with them to direct young jobseekers to the Skills to Succeed Academy and share our knowledge and resources"

Julie James, Deputy Minister for Skills and Technology said:

"It's great to see two careers-focused enterprises working together to improve the employability of young people in Wales. It's also a very positive thing for the Welsh job market, as it ensures that the future workforce will be equipped with the necessary skills and confidence to thrive in the workplace."

Improving and facilitating data sharing (Denbighshire)

Due to concerns over data security and access, there has been a restriction on the provision of paper-based lists of clients, and this was identified as a barrier in terms of updating and adding to the information required to help clients in Tiers 1 & 2. A potential solution emerged in Denbighshire in terms of using the Local Authority's EGRESS database. This provides a secure site in which to hold copies of the monthly Careers Wales IO reports and helps restrict and control the number of people with access. The 14-19 Quality Assurance Officer created an area on the site for the Youth Engagement Panel reports, and this has been active since December 2015.

It has helped the Panel, comprising of representatives from the Youth Service, the EPC, 14-

19 Quality Assurance Officer, Youth Engagement Principal Lead and our Team Manager, to have access to and share data on clients in Tiers 1 and 2. There remain a few issues around the recording of updates; however, feedback suggests that this is proving to be an effective means for the safe handling of personal information to support the identification of young people across multiple partners.

Delivering services and collaborating with partners

In January 2016 we opened a new office in Ebbw Vale to provide a base for Careers Wales staff covering the Blaenau Gwent area. The centre is also a venue for collaboration with a range of partners, including Job CentrePlus, who refer clients to careers advisers for guidance and job search support. Other partners include the youth outreach service, the voluntary sector, and work based learning providers. The centre will also offer interview facilities to employers when recruiting staff.

Alun Davies, Assembly member for Blaenau Gwent, opened the centre and said: “The Ebbw Vale Career Centre is an excellent facility that will help people of all ages and stages in their lives to secure employment and develop interesting and fulfilling careers. I am confident it will be well used by the wider Blaenau Gwent community and will be a great resource for the area.”



Photo: Alun Davies AM, Thomas Williams and Paty Wysom, Area Manager, Careers Wales,

Thomas Williams, a client who received our help and support came to the opening. He is in his first year of a musical theatre course at Cross Keys College thanks to the help and support of our Careers Adviser Julie Sandbrook.

Thomas said *“I didn’t have the best time at school, mainly because of my autism, but with Julie’s help I’ve really grown in confidence and have furthered myself. She helped me with my CV and then helped me to decide which course to take. It was definitely the right decision. I love my college course and I am really grateful to Julie for her help and understanding. It was great to come to the Ebbw Vale office opening to see all of the facilities and services on offer, which I’m sure will be a great help to young people like me who want to seek advice from the advisers.”*

Collaborative work with Job Centre Plus to support 18-24 clients

In July , Careers Wales collaborated with Job Centre Plus to organise an Apprenticeship Jobs Fair at Cardiff Job Centre.

This was the second such event to be organised jointly with Job Centre Plus and aimed to promote ‘live’ apprenticeship opportunities. Over 250 people attended the event, along with 22 local employers who were advertising apprenticeships on the Apprenticeship Matching Service (AMS). Attending employers included: MWH Global, Premier Inn, Marriott Hotel, Atradius, Lloyds Banking, KPMG and Orangebox. Twelve training providers also attended to promote their current apprenticeships.

The Careers Wales stand at the event was also busy. Over 60 clients were supported on the day and we were successful in reaching out to a range of clients from 16 – 24. Employer feedback from the day included:

*“Successful, well laid out event. We took around 30 names and numbers to contact for our Assessment Day”
Michelle Johnson, Premier Inn*

*“We thoroughly enjoyed the event. It is a brilliant opportunity to advertise our vacancies and meet potential candidates”
Bethan B Jones, Lloyds Banking Group*

Pop-up Careers event aimed at adults at Cardiff Careers Centre

An Adult ‘pop-up’ careers event, organised in conjunction with Job Centre Plus was held at the Careers Centre, 53 Charles Street in September.

The aim of the event was to increase the uptake of Individual Skills Gateway services offered to adult clients aged 25+. The event comprised of CV workshops, brief diagnostic interviews and information sessions accompanied by local recruitment agencies and supporting partners.

Contributors included: The Royal Welsh Regiment, Acorn recruitment, ACT Skills Academy, SOVA, Women Connect and St. David’s recruitment. Over 80 clients attended. The event as evaluated and positive client comments included the following:

*“Spoke to Phil – very helpful. Gave me lots of information/details of courses/agencies etc.”
“Pointed me in the right direction.”*

*“They were very helpful and advised and directed me around the recruiters.
They gave me useful advice.”*

“CV guidance, general guidance around room and jobsites”

“Very helpful.”

“A lady greeted me at the door, full of information and was friendly.”

“They helped me very much with what my aims are and how to achieve this”.

Porthmadog Careers Centre Jobs Fair

This event was held in partnership with Job Centre Plus at Porthmadog Careers Centre in February 2016.

Several local employers attended including Tesco, Haven, Greenacres, Afon Wen Laundry Services, Harlech Foods Services, Dylan’s Restaurant, Portmeirion, Ffestiniog Railway, Cadwaladar’s, Llechwedd Slate and Kerfoots. The majority of employers were recruiting at the time and had actual vacancies to offer clients. An HR representative from Tesco attended and gave a presentation on the company’s online application process in the hope that it would improve the number as well as the quality of the applications.

It was an open event for all ages and 300 people attended in the morning. The majority of attendees (69%) were unemployed adults. Clients appreciated the opportunity to find out more about local companies and were able to meet several employers. Some clients were offered an invitation to attend a further open day/interview whilst a few others were offered a job on the spot! Others had taken application forms away with them and were more engaged in job-search activities.

Positive feedback was received from clients, employers as well as partner organisations. Comments indicated that attendees felt that the event had enhanced their understanding of the local labour market and improved their confidence in applying for jobs locally.

4.2 Young people in the Youth Justice System

We continue to provide support for young people aged 16 and 17 who are in the youth justice system including those in secure estates.

Our offer is one CIAG interaction to 16 and 17 year olds as they enter a Welsh institution, a further interaction prior to release and provide on-going CIAG support for resettlement programmes, working in partnership with the local youth offending service. During 2015/16 we delivered 83 guidance interactions to young people in the secure estate prior to release.

4.3 Unemployed adults accessing the Welsh Government's Individual Skills Gateway (ISG) programme

ISG is now the recognised service for providing careers information, advice and guidance to unemployed adults across Wales. Our delivery of ISG has developed and grown over the past year and has continued to produce good results for unemployed people in Wales.

Between April 2015 and March 2016 we have supported 8,249 unemployed clients through the Gateway; supporting them in assessing their skills needs, exploring their career options and making them aware of the support and provision available to them. We have delivered 14,214 individual guidance, advice and assessment interviews and 571 job clubs and clinics. As well as face-to-face support a significant amount of follow up work has also been undertaken with clients over telephone/ email to support them at each step of their journey.

During 2015-16 1,397 clients have been supported into employment or skills training and 1,670 clients have received support with producing a CV. There have also been a significant number of referrals made to partner agencies for those clients who required additional support outside of careers information, advice and guidance.

Below is an example of how a client from Blaenau Gwent (South East Wales) was supported through ISG. The case study illustrates that for many adults a 'quick fix to a career is neither possible nor sufficient and often there is an obvious need for on-going support incorporating a range of agencies with the Skills Gateway at the centre:

"I've been helped by so many agencies over the past 2 years it's amazing"

The Careers Adviser first met with Zoe at a local Work Club when she called in for some feedback on her CV and help with looking for work. She didn't feel she was getting anywhere with job applications. Zoe was an experienced administrator who had taken a career break for 3 years to raise her family. She was now considering returning to work. Her career goal was to pursue a career as a Teaching Assistant but her own childcare responsibilities meant that returning to full time education was difficult for her so she was now considering this as longer term goal.

Due to her extended period away from work, her confidence was quite low, particularly as she hadn't had any success to date with any of her applications. Zoe was given some feedback on how her CV could be strengthened and tailored to suit the position she was applying for, and how she could use different methods of finding work.

Through guidance, it was established that Zoe was also interested in pursuing a longer term career goal to work with children. She had previously successfully applied for a full time childcare course at college but had had to withdraw as she wasn't eligible for financial support for her own childcare needs.

Over the course of several interventions, Zoe became more focused on pursuing a career in childcare and alternative routes into working with children. Gaining the qualifications needed were discussed (including volunteering and part-time courses through Adult Education). Zoe acknowledged that this may be a longer route to achieving her goal, but felt it would better suit her personal circumstances. Zoe also received support from Communities First whilst

attending the Work Club who offered her a 'Stepping Stone to Teaching Assistant' course to give her a taste of what the Level 2 Teaching Assistant course would be like before committing to a longer term course, and also helped her to identify local volunteering opportunities.

Zoe completed the course with Communities First and put her name down for a Level 2 Teaching Assistant course with Blaenau Gwent Adult Education. She was advised that she would need to complete a Level 2 literacy qualification as a pre-requisite for the course.

Zoe is now in a position to start the Level 2 Teaching Assistant course next academic year (2016-2017) and has been advised by the Learning Action Centre where she is due to undertake the course that she will gain a priority place on the course owing to the fact that she has already completed the Stepping Stones course via Communities First. Zoe is also volunteering with a mums and tots group and a Families Five, a local agency. This is giving her valuable experience of working with children and further preparing her for her course.

4.4 Adults at risk of, or facing, redundancy



ReAct is a service for people affected by redundancy.

We have secured a further three year period of funding to provide ReAct support for adults affected by redundancy through the Welsh Government's European Social Funds' ReAct 3 programme.

The change from a 6 months eligibility limit to a 3 months period of eligibility for support has had an impact on the number of clients who can submit an application for funding but we are continuing to work with employers and their staff who are under notice of redundancy to ensure that this support is made available to those who need it.

4,973 individuals benefited from this service this year, resulting in 9,362 individual interactions, 70 group sessions and the approval of 2,495 ReAct applications. During the last 12 months, we have worked with clients made redundant from over 750 different employers many of which are small businesses. The range of clients presenting from smaller employers demonstrates effective communication between all the 'Rapid Response' agencies to ensure that all those subject to redundancy are made aware of the available support.

Client and employer feedback on the support provided continues to be positive.

"Support from my Adviser was first class, my completion of the course will be complete by 23rd of Jan 2016 despite an injury I collected in April which set me back more than 4 months."

“My adviser was extremely helpful in giving advice & guidance and helping me with the training required for my change of career path. At 53 years of age it's a big step to take and without my adviser's help I would have struggled. I am very grateful for all the support she has given me & for being friendly & always available to discuss problems.”

“First I must acknowledge the Welsh Government for giving a chance to adults like me to discuss my future with such a highly experienced person like you. Before meeting you, I was not sure what I am going to do, but now I am clearer about my future and you gave me a brighter hope for my future.”

“In March earlier this year I was made redundant from my job of nine years. At the time I felt as if my foundations had crumbled in regards to my working life. My adviser was very professional at all times and had a lovely manner about her throughout all of my meetings with her. Nothing was too much for the adviser and her approach was key to me rebuilding my confidence and self-esteem. After a few meetings with my adviser I had applied for a number of jobs, which were progressing into interviews. I have now secured a job!

I hope that Careers Wales will be there for everyone in the future who needs professional advice on how to progress back into employment”

A recent client evaluation survey shows that 81% of clients agreed that support from Careers Wales:

- > had improved their understanding of the opportunities available to them;
- > had helped them to understand how their skills and personal qualities could be applied in the job market;
- > helped them make more informed decisions about their career.

In January 2016 we were notified of the significant redundancies due to take place at Tata Steel. Working closely with the WG Task Force, Tata's HR team and the Department for Work and Pensions (DWP) a programme of support was agreed. Careers advisers have been deployed to both the Port Talbot and Llanwern sites to support those leaving the organisation. In order to support potentially large numbers of clients over a short period of time, advisers were deployed from across South Wales demonstrating considerable flexibility and willingness to respond to this significant event.

Presentations were carried out on both sites to over 250 staff. In the period up to the end of March 2016 advisers had worked with 181 individual clients from Tata Steel.

We received the following positive customer feedback:

"Thanks for all your help. If not for your guidance and support I would still be running around like a headless chicken going in the wrong direction. You made me realize that I had missed an opportunity where I could use my transferable skills and put them to good use. I also realized that I need to update my computer skills and you have provided a solution for that as well. I went to the library (as you suggested) and have been advised to go in on Monday to sign up for any courses I may need. So, thanks again. Will keep you updated."

"Just to let you know my application for a ReAct grant has been approved. I have been awarded a contribution of £1500 towards the cost of the training. I would like to thank you for your time and effort in making this happen."

"Thank you very much for your time today, I came into the careers office today in a bit of a panic but have left in a far better, more positive mood and feel I have a good plan of what I want to do next and how to achieve it."

"Thank you so much for the excellent guidance you gave me in yesterday's meeting! It was extremely helpful and I am very grateful. If I need any more guidance in future, I won't hesitate to contact you. Thanks again."

05/Delivering Services in Partnership

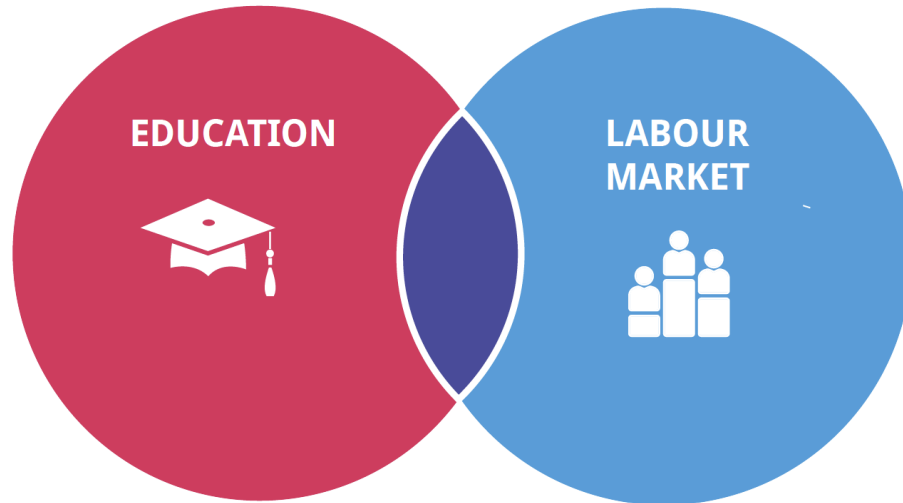
Throughout 2015-16 we continued to work extensively with a wide network of partners to support our clients to achieve successful outcomes in education, employment or training. Effective partnership work is essential to ensure our expert services are available to clients at the point of need. Working closely with partners and developing mutually supportive processes has enabled us to make the very best use of our time and resources.

	Working with partners has enabled:	Resulting in:
Labour Market	<ul style="list-style-type: none"> Data sharing Delivery of our services from shared premises Joint delivery of group sessions for clients Promotion of programmes Support for learners to remain on programmes 	Identification of those in most need of support and how best to provide it. Avoiding duplication, improving accessibility and the breadth of services offered to clients.
Professional Development Opportunities	The delivery of training between partner organisations and sharing best practice	Improving understanding and awareness of organisations, their roles and benefits to deliver best value services for clients
Education	<ul style="list-style-type: none"> Partnership agreements Curriculum support Teacher Training Education-business links 	An enriched world of work curriculum for learners, real-life context for learning , improved awareness and raised aspiration through contact with employers

Careers Wales Stakeholder Survey (Wavehill Consulting 2015)

All stakeholder groups agreed that Careers Wales is approachable, understanding of needs, values and respects others, and supports their organisation effectively.

Our Partners include



- 215 mainstream secondary schools
- 25 special schools
- 4 Regional School Improvement Services
- Business in the Community (BiTC)
- Colegau Cymru
- Educational Psychologists
- Local Health Board
- Pupil Referral Units
- Youth Justice Board - Youth Offending Team
- 22 Local Authorities
- 14 Further Education Colleges and Institutions
- Department for Education and Skills (DfES)
- Employers
- Learning, Skills and Innovation Partnership (RLP South East)
- North Wales Economic Ambition Board NWEAB - RLP)
- Regional Learning & Skills Partnership South West and Mid Wales (RLSP)
- Social Services
- Wales Council for Voluntary Action (WCVA)
- Welsh Local Government Association
- Chartered Institute of Personnel Development (CIPD)
- Department for Work and Pensions (DWP)
- Federation of Small Businesses
- Job Centre Plus (JCP)
- National Offender Management Service (NOMS)
- National Probation Service Wales
- National Training Federation Wales (NTFW)
- Offender Learning Advisory Group (OLAG)
- Prisons
- Sector Skills Councils
- South Wales Chamber of Commerce
- Third sector and charitable organisations
- Wales Community Rehabilitation Company
- West Cheshire & North Wales Chamber of Commerce
- Work-based learning (WBL) providers
- Youth Service

All stakeholder groups reported that the changes in the Careers Wales budget and remit had adversely affected their organisations, although those surveyed generally believed that Careers Wales has managed the budget reduction well.

The following examples, along with those already covered in the education and labour market sections of this report, demonstrate the impact of such partnerships in helping to secure positive outcomes for clients.

Supporting ALN pupils and Disability Awareness

Disability Confident Event

This event for employers was hosted by Byron Davies MP, to encourage them to become more “Disability Confident” and to consider employing more disabled people. Our role in supporting the event was to work with employers to help overcome barriers and any concerns they may have about employing disabled people. Two advisers attended and had excellent feedback.

Additional Learning Needs (ALN) respective roles and responsibilities

Welsh Government contacted all Local Authorities ahead of the proposed changes to ALN legislation (currently in consultation). The purpose of the letter was to reinforce to colleagues their obligations under the current system for residential funding applications, and to make them aware of their role if and when the Additional Learning Needs and Education Tribunal (Wales) Bill is passed.

Welsh Government and Careers Wales have discussed Local Authorities where there is scope to improve working relations and the systems and processes that are currently in place to progress applications for residential funding. As a result, meetings have been arranged with identified Local Authorities, to include key representatives from Social Services, Welsh Government and Careers Wales, to discuss the issues faced during previous academic years. This is a very positive step and should result in revised working practices to overcome the challenges previously presented.

Supporting Adults

Super Surgery event at the Powerhouse, Llanedeyrn

This was the idea of Cardiff Central MP, Jo Stevens, to introduce the local community to the range of advice and support organisations available to them. We received excellent feedback from the community partners and people and were able to market the range of services that we are able to offer to adults in the wider community.

Rhyl Careers Centre wins Job Centre Plus Award

We were pleased to receive the award for “Partner of the Year” award along with the “Best Idea” award for the activity at the ‘Feeding Britain’s Future’ from Job Centre Plus in Rhyl. The award recognises our work with unemloyed adults and the outcomes achieved.

Steps Ahead Mentoring West Wales pilot

Careers Wales has entered into a partnership with the Chartered Institute of Personnel Development as a point of referral to their ‘Steps Ahead’ Mentoring Programme.

This programme is designed to link 18-24 year old job-seekers who are ‘job-ready’ but who are failing to secure job-offers to HR professionals located within a range of businesses

across West Wales. These professionals are able to offer a series of one-to-one or online personal mentoring sessions designed to provide industry-based advice to young job seekers.

Lone Parent Event, Cardiff

In October, Careers Wales staged a highly successful 'Lone Parents Event' in partnership with Job Centre Plus at the Careers Centre in Cardiff. The event targeted lone parents and carers who were claiming benefits, and aimed to provide advice and support for these groups on re-entering the labour market. A range of other agencies skilled at supporting lone parents and carers into work also attended – including Pathway Care, Sova, Lift, VCS, Gingerbread, C4W, Local Authority – Into Work Services and Debt advice, Communities 1st, Chwarae Teg, Princes Trust and the Family Information Service.

It was a well-attended event with over 200 lone parents and carers attending and accessing support from the range of agencies listed above. We received the following feedback from JCP partnership manager, Gaynor Williams:

“Just wanted to say a massive Thank you to everybody for your support to JCP on 15th October but most importantly your support in demonstrating the range of fantastic help that is available to our customers in Cardiff.

In the end we had 206 customers come through the door and most have completed feedback which is very positive with most getting at least one or more relevant referral from it that will help them going forward. We do plan to continue that engagement going forward to make sure we can build on this positively...”

Careers Wales 'Employability workshops' in partnership with Job Centre Plus and Communities First

Clothing retailer Primark was due to open a new store on the prestigious Broughton Park shopping centre in Flintshire. They approached JCP to refer clients for interviews, but it was acknowledged that many of these required support with their employability skills. JCP and Communities First asked Careers Wales to facilitate two sessions on interview skills and also to provide coaching on group-interview techniques as this is part of the recruitment process with Primark.

A total of 13 clients attended the sessions over the two days and were helped extensively with topics such as preparation for interviews, interview techniques, predicting possible questions, helping to overcome barriers and confidence building. Many of these clients had been unemployed for some considerable time. Our follow up activities have indicated that at least 6 attendees have subsequently been successful in gaining a contract with Primark, and the remaining clients have also since found employment.

Due to the success of these joint days with the JCP we have now been approached to run a similar session with JCP clients looking to work at the Wrexham Prison.

Supporting young people not in education, employment or training

Work Based Learning

Careers Wales has continued to work closely with our partners in work based learning to support clients who have been identified as in danger of disengaging from training.

Coleg Menai Training commented positively about the support we offer those young people. We recognised there is a better chance of keeping young people on training programmes if issues are dealt with quickly. Therefore a process of early identification has been agreed and implemented in Gwynedd and Anglesey.

Our Cardiff centre organised a “pop up” event targeted at unemployed 16 and 17 year olds. Such events provide an excellent opportunity for clients to speak directly to local training providers and Cardiff and Vale College and to find out about post-16 learning opportunities. Careers Advisers offered guidance and support as well as the opportunity to apply directly to college, ACT Skills Academy, MPCT, ITEC Training, ISA hair and beauty, Cardiff City Foundation and the Princes Trust. Careers Assistants also delivered employability sessions throughout the day.

Similarly, in our Caerphilly and Blackwood centres, and in partnership with the local authorities Engagement and Progression Co-ordinator, we organised “Opportunities for life” events in October. The events were held in Caerphilly Careers Centre, Blackwood Miners Institute and Rhymney Library on successive days in October. Supporting the events were partners from ACT, ITEC, Learnabout, Llarnau, WCVA, ICE and Coleg Y Cymoedd who provided representatives to offer information regarding their programmes.

Targeted at 2015 school leavers with no known destinations and clients currently on Tiers 1 & 2, the events were an opportunity for clients to discuss personal aspirations with all providers in one venue on neutral ground. Clients and parents were able to discuss a range of support mechanisms that could be offered to enable participation and remove barriers. Careers Advisers and Careers Assistants were also available to assist clients with support crucial to the client’s progression and engagement.

Supporting young people in education

Apprenticeship awareness in Conwy

Careers Wales held a series of apprenticeship information workshops with 2016 learners considering this option ahead of the Apprenticeship Week. Of the 7 schools in the authority, 5 took part. The event aimed to help inform learners of possible future apprenticeship opportunities at a time when they were actively starting to make decisions about their future. The pilot was led by the local authorities’ 14-19 Network Manager and Youth Engagement Coordinator in partnership with Careers Wales, local authority’s departments, education and Work Based Learning providers, and Communities First.

The workshops were held in October and included sessions on what is an apprenticeship, where to find them and how to apply. Making a decision and planning your employment. There was also an opportunity to meet with local employers and apprentices.

Feedback was positive and learners reported that they were better equipped to source an apprenticeship following the interactive session led by Careers Wales.

Transition Days to Further Education

During August, Careers Wales delivered two 'Transition Days' for potential students at the Llangefni and Bangor campuses of Grwp Llandrillo Menai - Coleg Menai. The activities were arranged in partnership with Coleg Menai.

The days were arranged for Year 11 clients who school advisers felt were most at risk of not turning up on the first week of college due to various barriers such as poor attendance at school, attainment at school, anxiety and unrealistic career aspirations. Every participant has been identified as in danger of disengaging on leaving statutory education and was monitored by the Careers Adviser on entering Further Education. The impact was measured by looking at the number of participants who turned up on the first day, the number who completed the first week and the number who completed the first term.

The day included group session activities on comfort zones, differences between college and school life, question and answer session on college life and how to deal with setbacks, familiarisation activities on college facilities in preparation for September and the opportunity to meet with key staff.

The event had clear benefits for clients. At the start of the day, many of the participants were nervous and shy however by the end of the day the participants had made new friends, some of whom were on the same course. They had exchanged numbers and were arranging to meet up on the first day to support each other. This enabled them to start to improve their network links once they started college, helped them to settle at college and supported them in reducing first day anxiety.

The college also benefited as it reduced the risk of vulnerable learners dropping out of provision or not starting at all. When the learners were followed up 4 weeks after the beginning of term, all those who had taken part were still in the college

Youth Engagement and Progression Framework panel meetings in Pembrokeshire

Co-ordinated by the local education authority, the meetings are taking place in every school in Pembrokeshire. A case conference is held for pupils referred by each school (by Head of year / head of social inclusion). A range of professionals attend the meetings, school advisers also attend to contribute to discussions and have an input on recommendations made.

The panel meetings were introduced to year groups 7-11 from September 2015.

The meetings highlighted and tracked the highest priority pupils who perhaps otherwise would have been lost in the system. As these are monthly reviews, professionals are able to update everyone regarding the progress of these pupils, and key workers established to ensure that the pupils have the appropriate support.

At the July meetings summer support and engagement for high priority pupils were discussed, this resulted in fewer high risk clients disappearing or left doing nothing, and small improvements in sustained outcomes in September.

These developments will be the cornerstones of referrals for support from a new project, and a big step forward in identifying high priority pupils across the County, being able to provide appropriate, holistic support, and having a tracking mechanism in place to ensure that this support continues through transition and beyond.

Supporting the Youth Service

A Careers Adviser based at Brecon High School worked closely with the Youth Service to deliver 'Inform Education' sessions to those "most at risk of becoming NEET". She supported the programme with CV writing, additional input in discussing options and confidence building. Parents were also invited to a presentation afternoon and had the opportunity to discuss their plans as a family. This support certainly had an impact as all of those leaving Year 11 who were classed most at risk successfully secured places in FE and have coped well with the transition. The Careers Adviser has been in touch with the pupils and monitored their progress to date.

Supporting Schools

Production of Menu of Services for Careers and the World of Work

A draft plan was produced outlining the training offer to schools and based it on the sessions most likely to be of use to careers co-ordinators in school. We produced a menu of services, providing detail of the available training for schools, this was shared via the Careers Wales Mark consultancy meetings with schools and FEIs, at Co-ordinator forums, Skills Cymru, 14-19 Network Meetings, Partnership Agreement meetings, and with WJEC Regional Support Officers, and has been uploaded on to Professionals page on the Careers Wales website

Supporting Local Authorities

Newport Works

Newport Council had put in place a project called Newport Works aimed at supporting school leavers who wished to enter the labour market by providing work placements. Careers Wales lead on the identification of clients that the project would look to support, with the emphasis on those 2014-15 school leavers.

We reviewed our client data for Newport identifying those who, following initial guidance and support from their Careers Adviser, were now looking at job search and employment as their first option, and not wanting to consider training at that point. Those wishing to access Jobs Growth Wales or an apprenticeship were also identified. This initial exercise identified 35 clients who were then contacted by Careers Wales to discuss the support offered and to invite those clients to attend one of three 'introductory' sessions delivered the project staff to allow them see what the project .

29 Clients attended these sessions with 25 clients then signing up for placements.

Carmarthenshire Un Sir Gar

We supported and contributed to a multi-agency roadshow travelling around venues in the area. The roadshow provided a one stop shop for information on Training, Employment, Apprenticeships, Volunteering and Housing options. Partners included Coleg Sir Gar, Remploy, the Prince's Trust, the local housing association and the council.

Supporting Job Centre Plus

In August, Careers Wales and Mold Job Centre staff co-hosted a four-day pre-employment event for Marstons Brewery. Marstons were due to open a new flagship venue in Mold and had offered a limited number of long-term unemployed clients guaranteed interviews.

The event was held at Mold Careers Centre and 12 JCP clients were selected by Job Centre staff to attend the programme in early September. Careers Wales delivered a "First Impressions count" workshop and an "Interview Skills" workshop. Clients were also offered health and safety and food hygiene training by other partner agencies.

The feedback from the clients was very good, especially in relation to the 'First Impressions count' session. As a reward for attending the programme clients were guaranteed an interview for the new restaurant.

As a result of this programme 8 of the 12 attendees were successful in gaining employment, 6 with Marstons themselves and 2 with other companies.

Supporting Economic Regeneration

Careers Wales helped to set up the Newport City Centre Employment and Labour Market Information Group, which consisted of Job Centre Plus, Newport City Council and Careers Wales. The group came together following a visit by staff to the new Friars Walk shopping development in Newport.

There was a need for stakeholders to work together to encourage employers to work with Careers Wales as the main point of contact to reduce the potential duplicating efforts of the similar local organisations.

We have worked extremely well as a partnership to ensure vacancies are advertised and promoted effectively and other recruitment requirements supported.

We have also been able to gather local LMI about new companies locating to Newport and their local staffing needs as well as sourcing early information about a number of companies due to close. This has helped us prepare for and anticipate the needs of the local economy and allowed us respond appropriately and pass the relevant information on to clients as part of our ongoing information, advice and guidance.

Stakeholder testimonials

Email following Job trends labour market information spotlight launch for 'Food and Farming'

"Just a short note to thank you all for supporting the launch of the new Food & Farming careers information at the Royal Welsh Show last week. The attendance at the launch was particularly pleasing with industry clearly welcoming the work you're doing.

Sian Roberts-Davies, Business Development Manager, Lantra

Example of feedback received from a school

"I am writing to thank you for the excellent service the school has received from Careers Wales this year. It has been very beneficial for both staff and pupils to be able to have regular access to a careers adviser at school. This has reduced the anxieties of a number of parents and carers as they face the difficult transition period from school to college. The value of the service during the academic year and the professionalism shown by your adviser and her understanding of the needs of the school and the pupils has been invaluable. We look forward to working with you next year and hope the relationship can continue to develop and grow."

06/Equality and Diversity

Considerable effort is made to ensure that Careers Wales services are delivered to individuals in a way that promotes equality and social inclusion. The tables below illustrate the percentage of clients accessing the service categorised by, age, gender, ethnicity and disability.

Age

There has been a marked increase in the percentage of those in the 25 to 60+ range accessing the service. (from 10.7% in 2014-15 to 25.50% in 2015-16) The increase of almost 15% may be accounted for by the continued success of the Individual Skills Gateway (ISG) which was launched in January 2015. Overall across Wales the majority of clients accessing Careers Wales services, 32.09% were within the statutory school age range. However there has been a decrease of over 16% in the number of clients in statutory education accessing the service from 48.6% in 2014-15, to 32.09% in 2015-16. This fall can be accounted for by the change in delivery focus in schools. However, the percentage of 15-17 year olds accessing the service has increased from 19.5% in 2014-15 to 23.38% in 2015-16, this may indicate increased interaction through our on-line services within this age group.

	WALES
Year 11 Statutory Education	32.09%
15-17 Post Statutory Education.	23.38%
18-24	19.02%
25-60+	25.50%

Gender

The 2011 Census statistics shows the overall population of Wales as 3.06 million with a breakdown of 49% male to 51% female. The Careers Wales 'All Wales' figures across all age categories illustrate that in fact more males than females continue to access our services. This is reflected throughout each of the Careers Wales regions with an increased differential between males and females for the 25-60+ age category with an especially noticeable difference in the West region of over 15%. The overall male/female split is in line however with the economic activity rate for 16 -64 year olds which was recorded in December 2014 as higher for males (78.9%) than females (70.5%).

	WALES	
	Male %	Female %
Year 11 Statutory Education	51.18	48.82
15-17 Post Statutory Education	50.79	49.21
18-24	53.76	46.24
25-60+	54.56	45.44

Ethnicity

The largest percentage of clients who access Careers Wales Services continue to identify themselves as White/ British this is reflected throughout each of the regions and across all age categories. 5% of all clients accessing our service across Wales identified themselves as other ethnic groups, with the largest percentages for all age categories now located in the South Central region. That differs from the previous year which shows the South East region as having the largest percentage for all age categories identifying themselves as other ethnic groups. This is accounted for by the change in regional distribution of local authorities for Careers Wales boundaries, with Cardiff now coming under the South Central region.

Clients in Statutory Education	WALES %	North* %	West* %	South East* %	South Central* %
White English/Welsh Scottish/N. Irish/British	25.74	31.02	28.20	22.07	22.43
White Irish or Other	0.82	1.23	0.94	0.67	0.67
Other Ethnic Groups	1.51	0.82	1.29	1.10	2.38
No information on ethnicity	4.0	2.37	5.15	7.80	1.74

15-17 Post Statutory Education	WALES %	North %	West %	South East %	South Central %
White	18.29	17.48	17.62	18.38	19.33
White Irish or Other	0.64	0.62	0.46	0.68	0.78
Other Ethnic Groups	1.72	0.54	0.85	1.89	3.11
No information on ethnicity	2.74	2.10	2.74	5.27	1.62

18-24 Years Old	WALES %	North %	West %	South East %	South Central %
White	16.02	15.35	17.75	15.22	15.41
White Irish or Other	0.56	0.81	0.38	0.40	0.67
Other Ethnic Groups	0.83	0.53	0.63	0.70	1.28
No information on ethnicity	1.16	1.65	1.40	1.17	2.04

25 + Years Old	WALES	North	West	South East	South Central
	%	%	%	%	%
White	15.79	16.25	14.49	17.41	15.65
White Irish or Other	1.31	2.13	1.11	0.97	1.33
Other Ethnic Groups	0.95	0.51	0.82	1.05	1.29
No information on ethnicity	7.45	6.57	6.36	5.22	10.32

Disability

An all Wales percentage of 13.6% of 'priority clients accessing Careers Wales services are declaring themselves as disabled, with a total of 23% of all working age clients declaring themselves as disabled. This percentage figure performs favourably against Welsh Government statistics which illustrate that 20% of working age adults are living with a disability, 14.8% with a work limiting disability and 5.4% without a work limiting disability.

	WALES	North	West	South East	South Central
	%	%	%	%	%
Year 11 Statutory Education	2.74	1.94	2.79	3.43	2.87
15-17 Post Statutory Education	4.47	4.99	4.69	5.65	3.27
18-24 years old	9.10	8.10	10.08	11.55	7.48
25-60+ years old	9.54	4.93	8.89	9.87	12.43

*The regions can be broken down into the following Local Authority areas:

North - Gwynedd, Anglesey, Conwy, Denbighshire, Flintshire, Wrexham

West - Swansea, Neath Port Talbot, Carmarthenshire, Ceredigion, Pembrokeshire, Powys

South East - Newport, Blaenau Gwent, Torfaen, Monmouthshire, Caerphilly

South Central - Bridgend, Rhondda Cynon Taff, Merthyr, Cardiff, Vale of Glamorgan

07/Supporting Our Staff

2015-16 has again been a busy year in terms of Learning and Development for Careers Wales.

Business Improvement² colleagues worked closely with Academi Wales³ to develop an even greater focus on continuous improvement within the organisation. Two members of the Business Improvement (BI) Directorate undertook the Continuous Improvement Practitioner course and they also delivered short workshops on the theme of continuous improvement colleagues and the Senior Management Team. We also attended the 4th Annual All Wales Continuous Improvement Conference hosted by Academi Wales in November which brought together speakers and representatives from the public sector across Wales with an interest in continuous improvement. Two senior colleagues also attended the Academi Wales All-Wales Public Service Winter School 2016.

This year there has been a greater emphasis on delivering training internally where possible as well as on delivering through different channels, for example, a greater use of webinars. The bulk of this internal training has been undertaken by our learning and Assessment Coordinators (LACs) and Business Improvement Managers (BIMs).

Accredited Training

During 2015-16 the Accreditation Centre within Careers Wales has supported staff to achieve the following accredited qualifications:

- > careers assistants completing the NVQ 3 in Advice and Guidance (full award),
- > 3 careers advisers achieved the level 6 in Careers Guidance and Development (full award)
- > 38 careers advisers completing their level 6 upskilling units⁴.
- > 1 IQA (Internal Quality Assurance) qualification achieved
- > Upskilling unit for the assessor qualification claimed.

9 trainee careers advisers were registered for the level 6 in Careers Guidance and Development in 2015-16. They followed a 3 month training programme on the knowledge and skills to support their qualification.

In order to support the successful achievement of accredited training:

- > 2 Learning Assessment Coordinators were registered level 3 Award in Assessing Competence in the Work Environment
- > 2 Learning Assessment Coordinators were registered for the level 4 Award in the Internal Quality Assurance of Assessment Processes and Practice.

² Careers Wales directorate responsible for quality, standards and learning and development

³ Academi Wales is the centre for excellence in leadership and management for public services in Wales. Established in September 2012, Academi Wales is part of the portfolio of the Cabinet Secretary for Finance and Local Government.

⁴ These are the units specified by the Career Development Institute (CDI) to "upskill" a careers adviser from NVQ Level 4 to QCF Level 6 equivalence

In preparation for the delivery of the ESF funded 'Activate Your Potential' services as part of regionally funded programmes in schools, careers advisers participated in a range of training opportunities to prepare them. Eight sessions were held across Wales to train 126 staff in developing Positive Partnerships to improve the capacity to sell the benefits of this new area of delivery and develop effective partnerships with schools. Nine days of training were also delivered to 123 staff to help prepare them for working with Key Stage 3 pupils as part of the '7-11 coaching' aspect within Activate, given that Year 7 and 8 pupils have not featured as a major element of Careers Wales' work in recent years.

In addition, and to support the work experience element of the programme, 17 Business Engagement Advisers (BEAs) were put through IOSH training.

To support our work with clients who might be facing significant barriers in their lives, 63 advisers received Drugs Awareness and 85 staff from across the company have been trained in Youth Mental Health.

There have been a number of key activities that have taken place to support the ongoing CPD of advisers to deliver high quality Careers Information, Advice and Guidance (CIAG). Four Motivational Interviewing workshops were delivered by an external provider and three of our Learning and Assessment Coordinators (LACs) attended a two-day course in June. This training was subsequently cascaded to staff in the form of workshops delivered by these LACs.

48 staff undertook groupwork training with an external provider.

A number of Safeguarding workshops have been held on a rolling programme across the company, led by an external provider, to ensure staff are always fully compliant with the company policy on safeguarding.

Afasic delivered four training sessions (one in each region) to 51 advisers on working with clients with speech and language difficulties.

Over 400 members of staff have undertaken an online Autism Awareness training module. We have worked closely with Autistic Spectrum Disorders (ASD) Wales to deliver this training and are now recognised as an Autistic Aware organisation.

Johanna Manikiza, ASD National Development Lead, said:

"ASDinfoWales are really pleased with how Careers Wales has engaged with the Working with Autism programme - we are absolutely thrilled with the results. The commitment from staff has been amazing, in a few short months nearly 700 staff have undertaken one of two levelled awareness raising modules to increase knowledge and confidence in working with individuals with ASD. I have worked with many organisations in my position as National Lead, and to date Careers Wales have by far shown the most dedication in wanting to develop their ASD knowledge. Such is my delight at the outcome of this piece of work, I have asked my policy colleagues within Welsh Government to convey this example of excellent practice to the Minister during their next briefing." September 2015

Six members of staff received media training in August 2015 in readiness for the exam results period when we receive a significant number of requests for interviews from media organisation, including TV and radio.

A wide range of training has been attended by colleagues in Finance, HR and ICT to enable them to continue to help the company meet its obligations and support staff from across the organisation to seek to continuously improve our delivery of services to clients. Several conferences were attended by Finance and HR colleagues including:

- > ACAS annual conference, Cardiff
- > 'The Future of Apprenticeships in Wales', Cardiff
- > Youth Marketing Conference in London
- > ACCA Conference, Cardiff
- > Policy Forum Wales Seminar, Cardiff
- > 'Topical Tax Issues', Swansea
- > 'The impact of the new public contracts regulations', Cardiff
- > 'Understanding Retirement Benefits', Cardiff
- > 'Mastering Marketing Metrics', Cardiff

Careers Wales continues to invest in the development of its staff. Support this year has been provided to, for example, a member of the Marketing Team who is undertaking a 1 year CIM Marketing Certificate course, three members of staff who are being supported by the organisation to develop their Welsh language skills and an adviser who is undertaking MA SEN course.

CDI (Career Development Institute)⁵

The company supports all advisers to become members of the Career Development Institute (CDI) and they are also required to register with the UK Professional Register. This year the CDI National Conference was held in Cardiff and staff supported the conference by hosting a stand and offering a workshop to delegates entitled "Career Management - A Practical Workshop to Diagnose Your Own Career Management Needs".

At the national conference, Careers Wales was nominated in the Best Employer - Career Development Practice category for "Supporting Staff Development" and in the Best Employer - Developing and Supporting Young People category for the "Five Tier Model of Engagement." The award for this second category was won by the City and County of Swansea for its Keeping in Touch (KIT) Project, which is supported by Careers Wales through the reassignment of two members of staff to the project, including the KIT Project Manager.

⁵ CDI is the nationally recognised professional body representing those working in the delivery of Careers Information, Advice and Guidance (CIAG)

08/Welsh Language

The CCDG Welsh Language Scheme is in its implementation phase and runs for three years 2014-2017. The scheme outlines our commitments to ensuring that the principles established by the Welsh Language Measure (Wales) 2011 are implemented in the delivery of services to the public in Wales.

During 2015 - 2016, following the standards investigation process, the Welsh Language Commissioner confirmed that the Welsh Language Standards (No 3) Regulations 2016 relevant to CCDG were not approved by the National Assembly for Wales. As a result of this vote, the Welsh Language Commissioner is currently unable to issue a compliance notice detailing the specific standards with which CCDG is required to comply.

We have continued to work towards achieving actions agreed in the implementation plan for the Welsh Language Scheme which have included:

- > providing facilities for delivering services in Welsh and English using a range of channels including our telephone service, our website – careerswales.com, social media, webchat, email and texts;
- > developing internal practices and procedures to support the use of the Welsh language in day to day operations in the workplace;
- > developing bilingual resources providing careers and labour market information and promoting Welsh language skills requirements in the labour market.

<http://www.careerswales.com/cy/golwg-ar-dwristiaeth-lletygarwch-a-hamdden/>

CCDG continues to work towards achievement of the 2014 – 2017 action plan outlined within the Welsh Language Scheme.

09/Environmental Sustainability

CCDG recognises that its wide range of activities and services have both positive and negative impacts on the environment and wish to manage and minimise these wherever possible. To help us achieve this aim we have implemented the independently audited Green Dragon Environmental Standard. CCDG currently holds Level 2 of the award. Following the roll out to the full estate in 2015-16 there are 30 offices which fall within the scope of the award criteria.

Our overarching principles as detailed within our environmental policy and are implemented and monitored through the use of an environment management system.

How we manage the process

Our aim is to seek continued improvement in the process by which we manage our environmental impact. To facilitate this improvement all our offices now have individual responsibility for the implementation of the environment management system. This has allowed each office to establish a unique eco code that best fits the environment they work in and to establish achievable reductions in the resources they manage. Monitoring data for gas, electricity, water consumption and staff travel are collated on a monthly basis. Three staff within the facilities department have been given overall responsibility for undertaking analysis of the data and to undertake six monthly audits of the ten offices under their control.

All legal requirements that are applicable to Careers Wales have been documented in the Environmental Legal Register which is updated every six months. All waste transfer notes, COSHH risk assessments and MSD product sheets are kept at a local level and they are checked during internal audits. The most significant environmental aspects are documented within the Environmental Aspects Register. To support the national direction as detailed within The Welsh Government's Sustainable Development scheme, 'One Wales, One Planet' coupled with the Well Being of Future Generations Bill, we have identified the activities that generate greenhouse gases. We have identified two areas: Carbon Dioxide from travel and energy use.

Environmental Performance

For the second year in a row we have been able to collect data on CO2 emissions, energy consumption and business mileage and we publish this below so that our performance can be reported and measured in future years.

	2014-2015	2015-2016
Water (Litres)	2,990,000	3,399,000
Business Miles	1,184,887	895,771
Electricity kwh	1,014,928	1,179,211
Gas KHW	1,945,909	2,064,155
Greenhouse gases CO2 tonnes	1,231	1,268
Financial costs	£	£
Gas	40,454	35,578
Electricity	157,573	142,111
Water	20,026	16,437

Although we had planned for a reduction in our CO2 emission compared to last year we actually had a 3% increase due to higher gas and electricity consumption. Our water usage also increased by 14%. The main reason for these increases were due to the implementation of our 5 year estate strategy. This has resulted in the relocation of offices which has given us the ability to collect additional monitoring data on energy consumption and water usage. Water meters have also been installed at some properties giving the company better data to monitor our consumption and also resulting in a cost saving. The decrease in business mileage of 24% was due to the workforce reducing by 103 staff. One of the objectives of the estates strategy is to implement improvements in our estate which will have beneficial effects on our water and energy consumption. We intend to use our greater understanding of our environmental impact to make improvements in the area of energy consumption and CO2 emissions.

10/Financial Statements

The financial statements for 2015-2016 for CCDG have been prepared in accordance with international finance reporting standards and audited by the Wales Audit Office.

The maintenance and integrity of Career Choices Dewis Gyrfa's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

[Add link to accounts](#)

11/Looking Ahead

We hope this report has given you a feel for the work and impact of Careers Wales, during what was only our third year of existence as an all-Wales company. We are proud of our achievements which have been delivered during a time of significant change, downsizing and uncertainty. As the organisation matures, with greater stability and clarity of purpose, we are confident that we can make an even stronger contribution.

In the autumn of 2016 we will submit to the Welsh Government a new Strategic Vision for Careers Wales. This will demonstrate how we can support the Welsh Government's aim of securing a more prosperous, healthy and ambitious Wales.

The vision will be delivered by impartial and professional staff using cutting edge technology and approaches. Underpinned by evidence and international best practice, and informed by the views of stakeholders and citizens, we anticipate that the key features of this Strategic Vision will include:



Alignment with, and support for, key Welsh Government policies such as Successful Futures, Wellbeing of Future Generations Act and the pledge on increasing the number of Apprentices

All age, bilingual services – with a stronger focus on helping young people through key transition points



A new 'blended' approach to delivering careers information, advice and guidance to young people and the implementation of a 'Career Discovery Model' combining digital tools, multiple channels and professional Careers Guidance

A new range of support services for partner organisations



Greater integration of services to exploit economies of scale and scope, so that the whole is greater than the sum of its parts

Better connected to business and based on the latest and best Labour Market Intelligence; and clearer focus on impact and performance measures



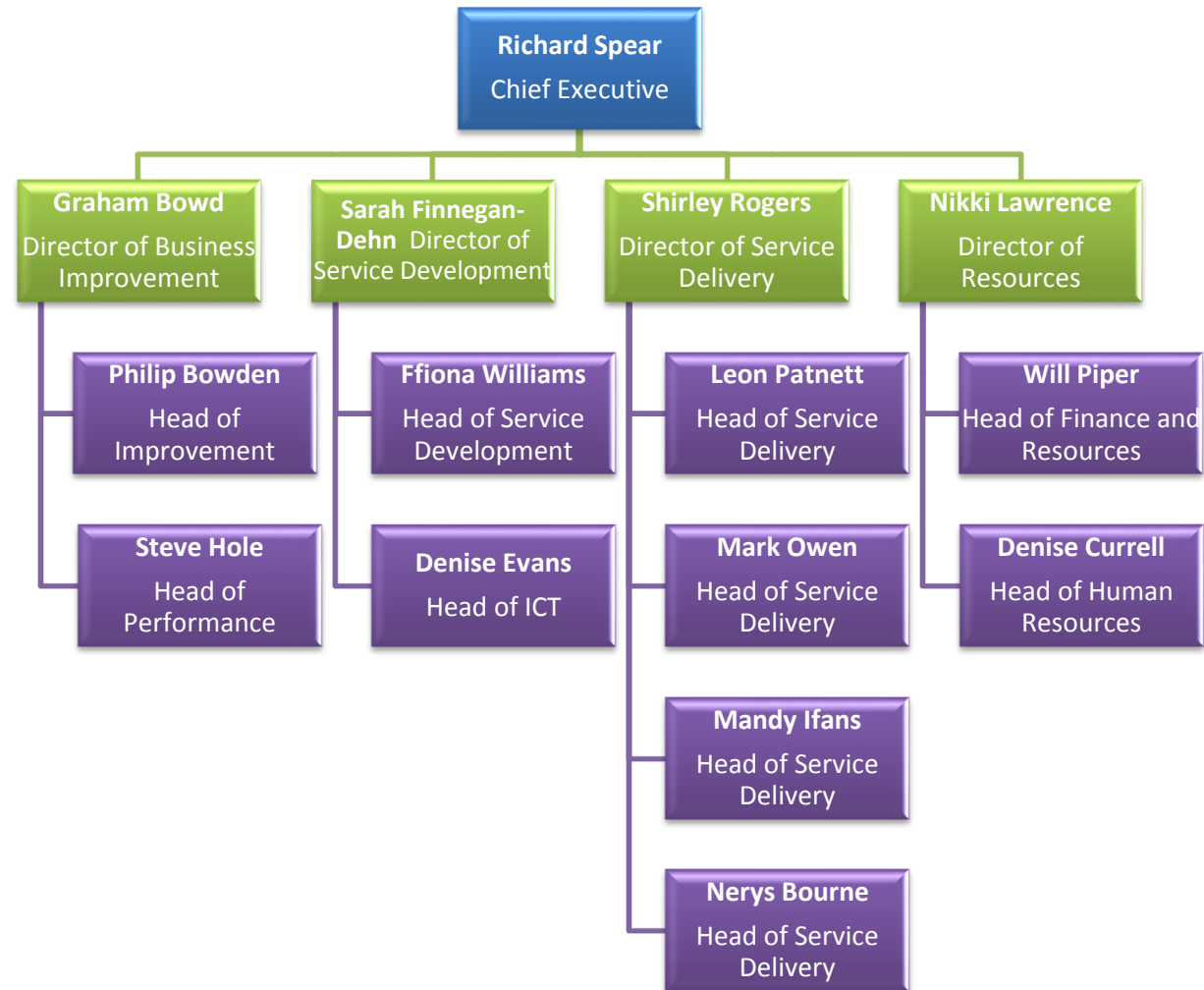
Glossary of terms

ALN	Additional Learning Needs
Apprenticeship Matching Service (AMS)	A free on-line recruitment system that helps employers find suitable candidates for apprenticeships and aspiring apprentices' opportunities in a business that is right for them.
Business Class	Business Class is a tried and tested programme which builds lasting partnerships between businesses and schools. Those partnerships, based firmly on the needs of the school and the priorities of the business
CAP	Common Area Prospectus. A full list of all education opportunities for years 12 and 13 available on careerswales.com aimed at students.
Career Check	Research undertaken by Careers Wales amongst pupils to determine how far they have got with planning their future
Careers and World of Work Programme (CWW/CWoW)	Careers and the world of work forms part of the basic curriculum for all registered pupils aged 11 to 16 at maintained schools.
Careers Wales Mark	The 'Mark' is an award designed by Careers Wales to recognise a commitment to continuous quality improvement within an educational institution to meet with the Welsh Government's requirements that are set out in Careers and the World of Work: a framework for 11-19 year-olds in Wales.
CIAG	Careers, Information, Advice and Guidance.
Communities First	Communities First is a Welsh Government Community Focused Tackling Poverty Programme. The programme supports the most disadvantaged people in the most deprived areas of Wales with the aim of contributing to alleviating persistent poverty.
Destinations Census	The annual survey of school leavers undertaken by Careers Wales on behalf of the Welsh Government, providing a useful snapshot of pupil destinations after leaving school which informs careers staff in their work with clients, parents, teachers and employers.

EAS	Education Advisory Service
EET	Employment, Education and Training.
EPC	Engagement and Progression Co-ordinator
ESF	The European Social Fund (ESF) is the European Union's main financial instrument for supporting employment in the member states of the European Union as well as promoting economic and social cohesion.
Estyn Common Inspection Framework	The common inspection framework is used for all inspections of education and training providers in Wales.
Five Tier Model of Engagement	A data management and tracking framework to help reduce NEET statistics in Wales.
Individual Skills Gateway (ISG)	Welsh Government programme offering easy access for individuals wishing to access skills support.
IO	Careers Wales' client information database.
Jobs Growth Wales (JGW)	A six month opportunity in a job paid at least the National Minimum Wage. JGW is funded by the Welsh Government with the support of the European Social Fund.
Key Stage 4 (KS4)	Key Stage 4 is the legal term for the two years of school education which incorporate GCSEs, and other exams, in maintained schools in Wales—normally known as Year 10 and 11 in Wales, when pupils are aged between 14 and 16.
LANTRA	Lantra is the Sector Skills Service for land based and environmental industries.
LMI	Labour Market Information.
NEET	Not in Employment, Education or Training.
ReAct3 project	ReAct 3 is the third cycle of the Redundancy Action Scheme (ReAct), a programme of funding for training provided by the Welsh Government for people living in Wales who are facing redundancy.
RLP	Regional Learning Partnership

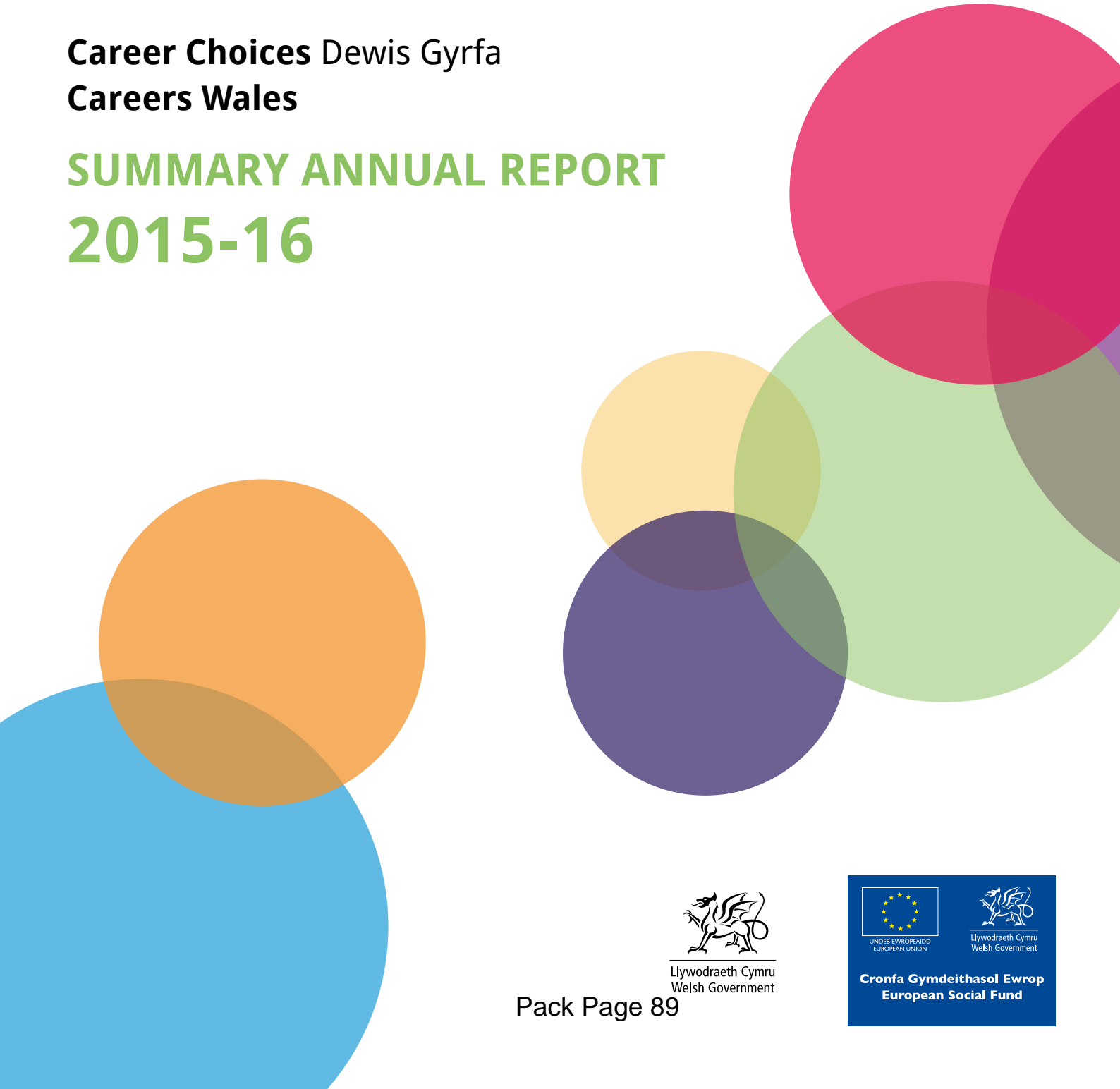
Skills to Succeed	The Skills to Succeed Academy, developed by Accenture Ltd, is an interactive, on-line training that helps people to get confident in choosing careers and get the key skills needed to find and keep a job.
STEM	Science, Technology, Engineering and Maths.
Tier 2 provision	Provision aimed at Tier 2 clients on the 5 Tier Engagement model. They are classed as Young People unable to enter ETE due to, e.g. ill health, custody.
Wavehill Consulting	A social research and evaluation company.
Webchat	A system that allows users to communicate in real-time on the internet via careerswales.com. It does not require specialist software to be installed and is simple and accessible.
Welsh Bacallaureate	The Welsh Bacallaureate (Welsh: Bagloriaeth Cymreig), Welsh Bacor WBQ, is an officially accredited and established qualification delivered by schools, colleges and training providers across Wales.
Work based learning	Programmes for both secondary and post-secondary students which provide opportunities to achieve employment-related competencies in the workplace. Work-based learning is often undertaken in conjunction with classroom or related learning and may take the form of work placements, work experience, workplace mentoring, instruction in general workplace competencies and broad instruction in all aspects of industry.
Youth Offending Team (YOT)	Youth Offending Team (YOT) is a multi-agency team that is co-ordinated by a local authority, which is overseen by the Youth Justice Board. It deals with young offenders.
Youth Engagement and Progression Framework (YEPF)	The Youth Engagement and Progression Framework aims to reduce the number of young people not in education, employment or training (NEET).

Appendix 1 - Organisational Chart



Career Choices Dewis Gyrfa
Careers Wales

SUMMARY ANNUAL REPORT
2015-16



Llywodraeth Cymru
Welsh Government



UNDES Ewropeaidd
EUROPEAN UNION



Llywodraeth Cymru
Welsh Government

Cronfa Gymdeithasol Ewrop
European Social Fund

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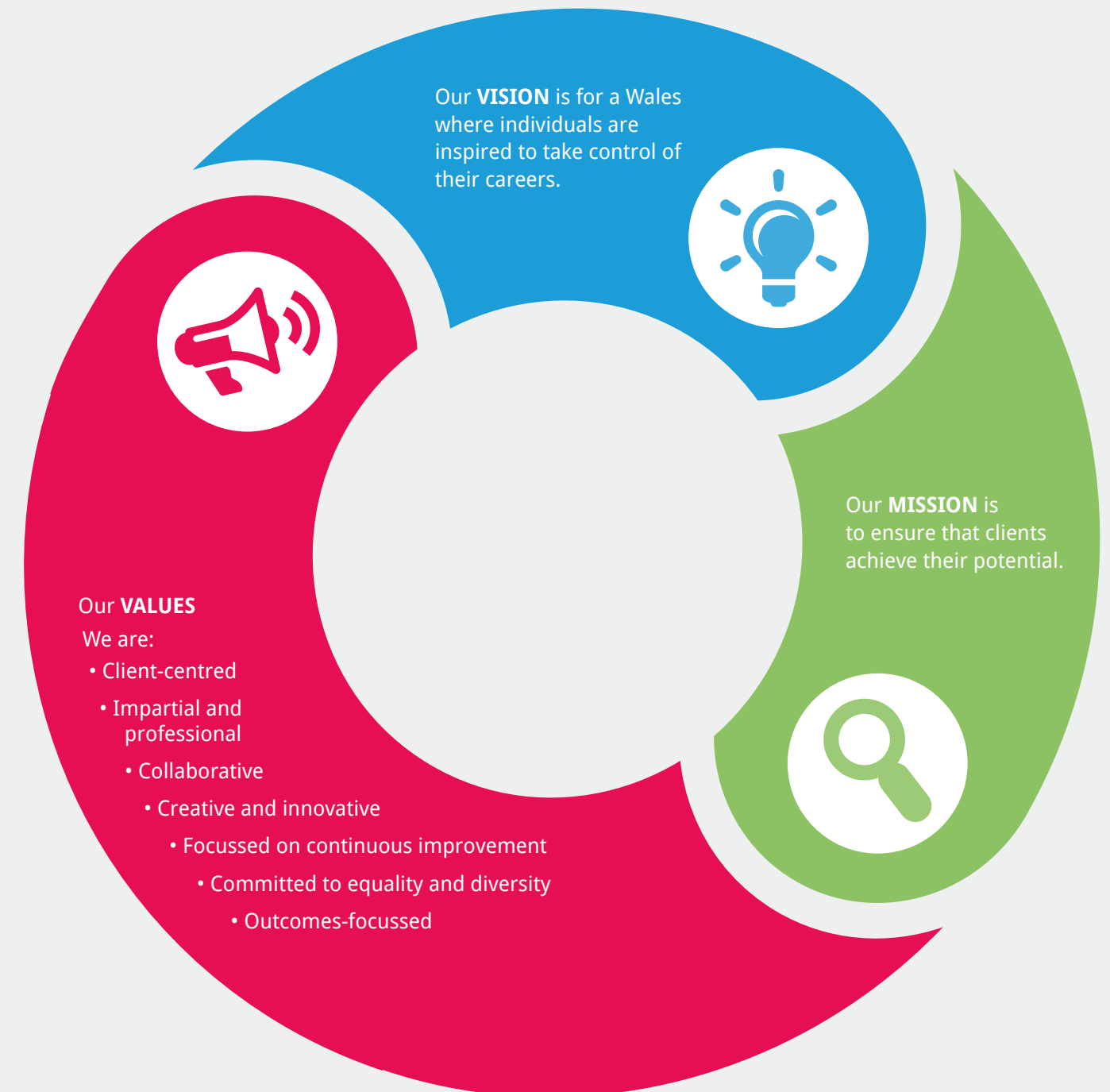
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 YouTube

OUR VISION, MISSION AND VALUES



INTRODUCTION



Message from the Chief Executive

It is with great pleasure that I present the third annual report of Career Choices Dewis Gyrfa Ltd (CCDG). Trading as Careers Wales, we are a wholly owned subsidiary of the Welsh Government and we provide the all-age, independent, impartial and bilingual Careers Information, Advice and Guidance (CIAG) service in Wales.

At Careers Wales we are passionate about helping clients achieve their potential – it's what we do and we are very good at it. We inspire, enable and motivate clients and help them develop the career management skills they need to compete for jobs, manage their careers and make decisions in a complex world.

This annual report highlights the impact we make and it will give you an insight into how we work with partners to deliver a range of services that help clients take control of their careers.

Some of the achievements and developments covered in the report include:

- Attainment of all the key performance indicators set for us by the Welsh Government;
- Implementation of exciting new digital services;
- Extremely positive independent evaluation of our services;
- Delivery of a range of large-scale careers and skills conventions;
- The establishment of Business Class partnerships between employers and schools and the continued roll-out of our Business Ambassador Training;
- The development of 'careers' resources for use by teachers and others and our support for schools and colleges through training and the Careers Wales Mark;
- The impact of our support for unemployed adults through the Individual Skills Gateway; and
- Our help for those who face redundancy.

These achievements demonstrate that Careers Wales helps to support the economy and improve the efficiency and effectiveness of the £4.3b investment in education and skills made by the Welsh Government every year.

Like many organisations, we have faced significant change, challenges and uncertainty in recent years. I would like to take this opportunity to thank my colleagues at Careers Wales for their continued professionalism, commitment and dedication through these testing times. I would also like to thank the Board of CCDG for their continued support and direction, and in particular to our former Chair – John Taylor.

There will no doubt be further challenges ahead but, as demonstrated in this report, I am confident that we will face them with resilience, determination and a clear focus on our clients.

A handwritten signature in black ink that reads 'Richard Spear'.

Richard Spear

Chief Executive

OUR SERVICES

Our purpose is to support clients to become more effective at planning and managing their careers, recognising that career management no longer consists of a one-off occupational choice, but rather a series of lifelong career transitions. Through improving career management skills and competencies, clients are able to make these transitions more smoothly, enjoy a higher level of career satisfaction and play a more active part in the economy.

Our client-centred services help users explore and understand the availability and suitability of education and employment opportunities, and undertake career goal setting, decision making and action planning, to work towards securing the best career available to them.

Our impartial, careers information, advice and guidance services are delivered by qualified professionals in a variety of settings - schools, colleges, our careers centres, partner premises and at events.

Careers Wales' digital services are available to everyone and offer greater access to our services. Our live webchat service can be accessed from our website or Facebook page and, like our 'Careers Wales Connect' telephone helpline, provides personalised information and support.

Our website provides high quality information including:

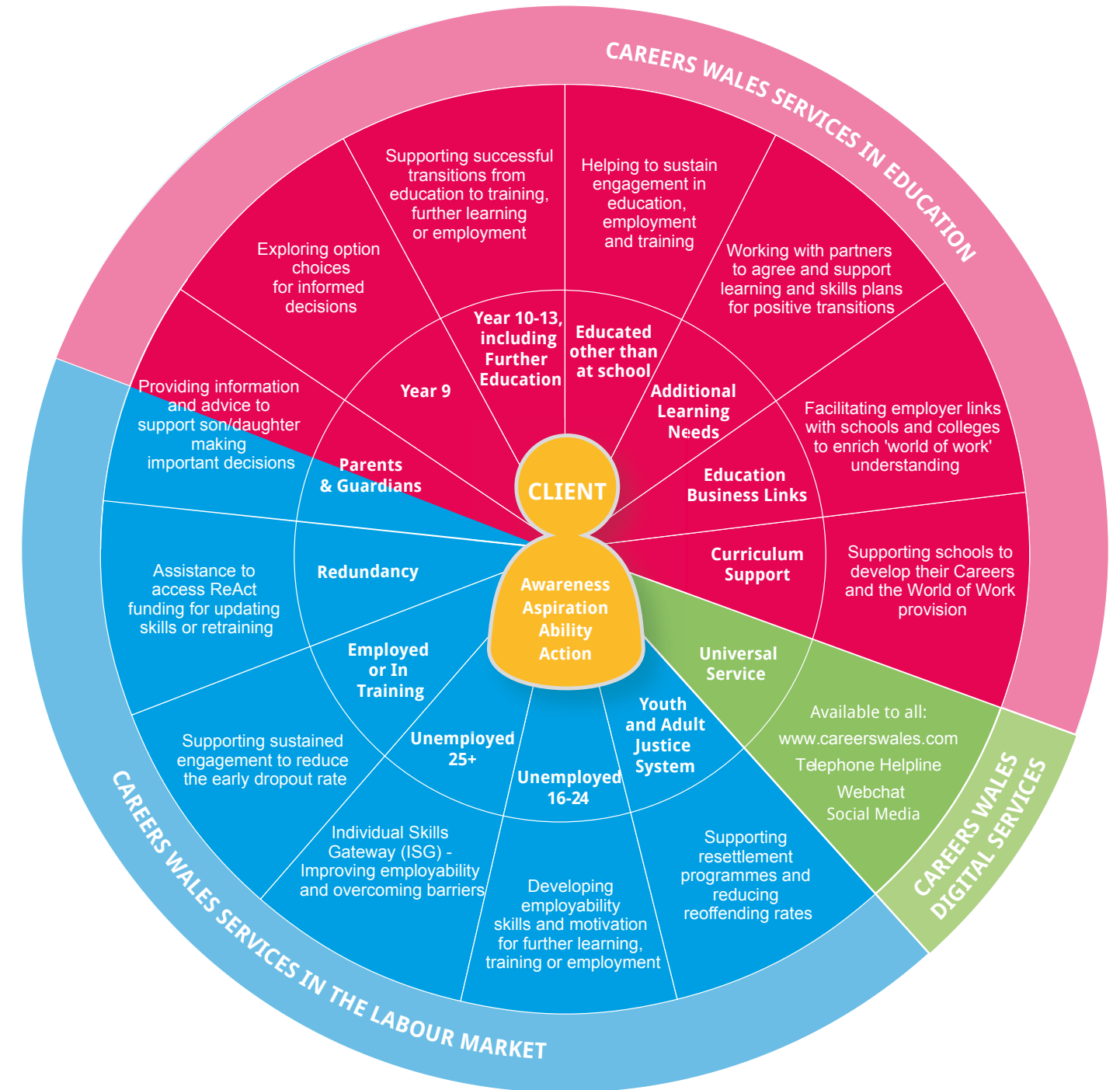
- accessible, up-to-date Labour Market Information (LMI) covering a range of career areas and priority sectors where there are likely to be opportunities in the future
- detailed job information, videos and case studies on hundreds of jobs

Visitors to careerswales.com will also discover interactive resources which allow them to:

- generate personalised career ideas matched to their skills and interests
- prepare for option choices, work experience or job interviews
- search and apply for vacancies
- search for courses from over 30,000 learning opportunities


Partners and stakeholders are also catered for with dedicated sections of the site hosting a variety of resources.

Our social media channels - Facebook, Twitter, YouTube and Instagram – continue to develop rapidly.




YEAR AT A GLANCE

During 2015-16:


 **144,286**
one-to-one interactions with clients

 **66,952**
clients developed their career management and employability skills during group sessions


 **74,861**
people benefited from personalised support from Careers Wales

 **100%**
stakeholder groups agreed that Careers Wales is approachable, understanding of needs, values and respects others, and supports their organisation effectively.

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 **792,021**
users accessed high quality information, tools and resources on our website

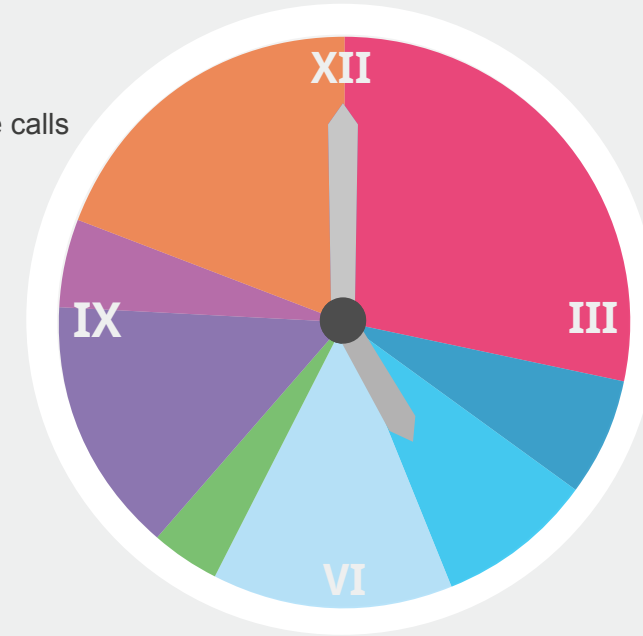
On an average day, we undertook:

 **159**
telephone helpline calls

 **31**
webchat sessions



 **120**
emails or texts

 **19**
group sessions




457
face-to-face interviews with clients

- 230 in education
- 52 aged 16 & 17 in labour market
- 67 aged 18-24
- 108 aged 25+

  On average our Facebook posts were viewed **11,949** times and Twitter **6,100 times every day.**

We have successfully achieved our four Key Performance Indicators (KPIs) as set by Welsh Government in our remit letter *:




KPI 1

the organisation's contribution toward the sustained progression of young people through education and into employment or further training/education




KPI 3

the organisation's contribution toward establishing effective school-employer engagement



KPI 2

the organisation's contribution toward reductions in the number of young people who are outside of the Education, Employment and Training system



KPI 4

client satisfaction with the quality of service provision, including in relation to an integrated digital presence

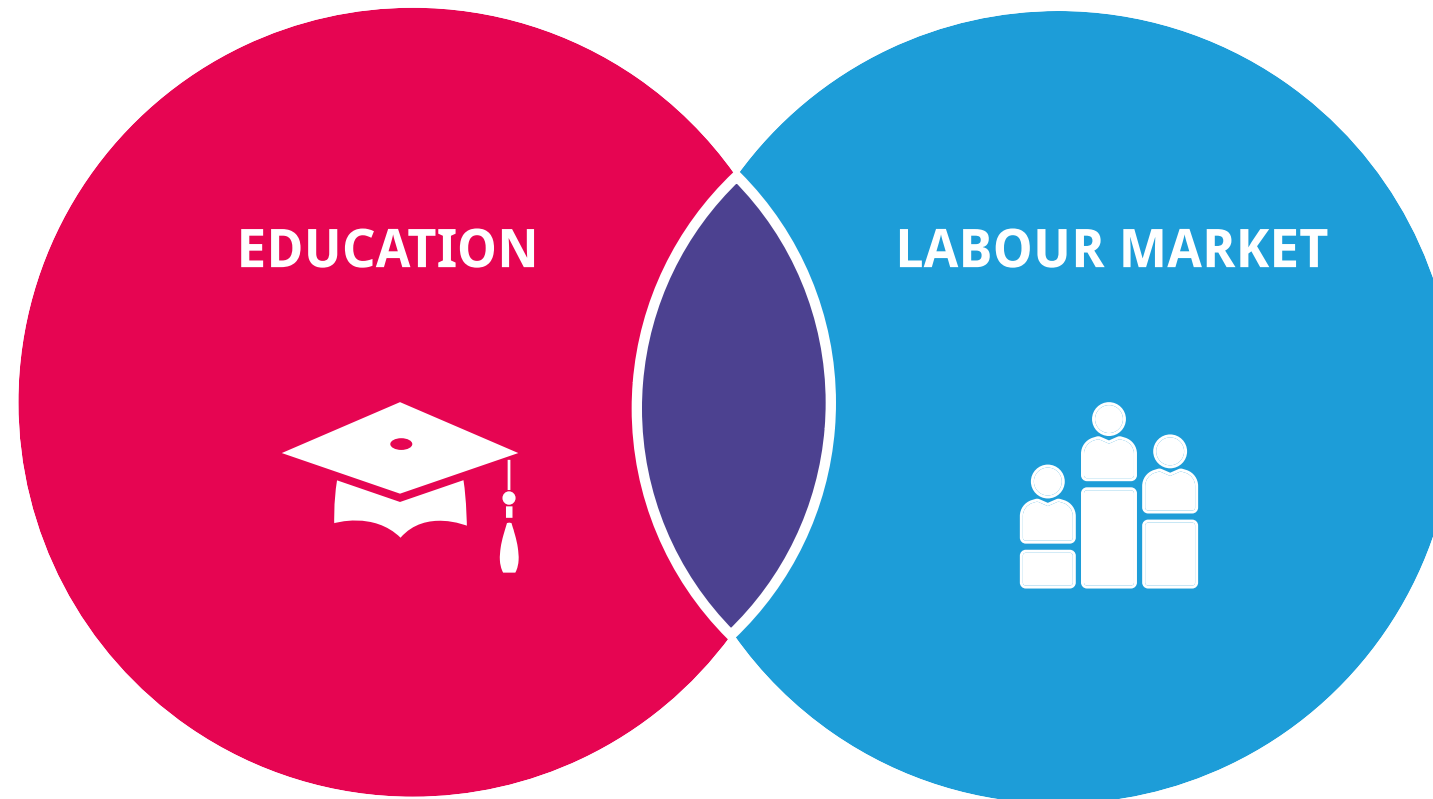
* For further information please see our full annual report www.careerswales.com/annualreport

WORKING IN PARTNERSHIP

Throughout 2015-16 Careers Wales continued to work extensively with a wide network of partners to support our clients to achieve successful outcomes in education, employment or training. Effective partnership work is essential to ensure our expert services are available to clients at the point of need. Working closely with partners and developing mutually supportive processes has enabled us to make the very best use of our time and resources.

Our partners include:

- 215 mainstream secondary schools
- 25 special schools
- 4 Regional School Improvement Services
- Business in the Community (BiTC)
- Colegau Cymru
- Educational Psychologists
- Local Health Board
- Pupil Referral Units
- Youth Justice Board - Youth Offending Team



- Chartered Institute of Personnel Development (CIPD)
- Department for Work and Pensions (DWP)
- Federation of Small Businesses
- Job Centre Plus (JCP)
- National Offender Management Service (NOMS)
- National Probation Service Wales
- National Training Federation Wales (NTFW)
- Offender Learning Advisory Group (OLAG)
- Prisons
- Sector Skills Councils
- South Wales Chamber of Commerce
- Third sector and charitable organisations
- Wales Community Rehabilitation Company
- West Cheshire & North Wales Chamber of Commerce
- Work-based learning (WBL) providers
- Youth Service

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Example of our partnership work



Working in partnership with the Youth Service in Brecon, Careers Wales delivered sessions on CV writing, discussing option choices and confidence building to Year 11 pupils who were most at risk of leaving school without a plan to enter further education, employment or training. All pupils successfully secured places in Further Education and coped well with the transition.

- 22 Local Authorities
- 14 Further Education Colleges and Institutions
- Department for Education and Skills (DfES)
- Employers
- Learning, Skills and Innovation Partnership (RLP South East)

Example of our partnership work




Marstons Brewery opened a new flagship venue in Mold and offered a limited number of long-term unemployed clients guaranteed interviews. 12 clients were selected by Job Centre Plus staff in Mold to attend a four-day pre-employment event. Careers Wales delivered "First Impressions Count" and "Interview Skills" workshops. Clients were also offered health and safety and food hygiene training by other partner agencies. As a result of this programme 8 of the 12 attendees were successful in gaining employment, 6 with Marstons themselves and 2 with other companies.

- North Wales Economic Ambition Board NWEAB - RLP)
- Regional Learning & Skills Partnership South West and Mid Wales (RLSP)
- Social Services
- Wales Council for Voluntary Action (WCVA)
- Welsh Local Government Association


ACHIEVEMENTS OF OUR SERVICES IN EDUCATION

In 2015-16 we introduced a new offer to schools providing flexibility to deliver services that met the individual needs of institutions and their learners.

Careers Wales supports ALL maintained Secondary Schools, Special Schools and Further Education Colleges across Wales




48,643 young learners benefited from one-to-one support




64,177 young people attended a group session to develop their awareness and application of career management skills

We enabled **526** teachers/lecturers to enhance their delivery of careers education through our professional development training sessions




Parents and guardians were helped to support their son/daughter with important decisions


through **19,538** interactions



60 sustainable education business partnerships established




136 secondary schools
22 special schools and
11 FE colleges were supported to achieve and retain the Careers Wales Mark*




POSITIVE TRANSITIONS

96% of 16 year olds
97.2% of 17 year olds
93% of 18 year olds




moved from education into further education, training or employment

1,364 Learning and Skills Plans in place for clients with statement of Special Educational Needs, or equivalent



Young people in the youth justice system benefited from **83** careers guidance interactions to support their resettlement programmes.



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* awarded to establishments that commit to continuous improvement of their Careers and World of Work provision

Bringing schools and employers together

"Congratulations on a fantastic two days of work related education. Not only did the pupils enjoy it and get a lot from it, so did I. It was particularly pleasing to see so many of what are sometimes referred to as 'disaffected' pupils get so involved with what they were doing and really want to. Well done for reaching out to these young adults and in many cases make them think (maybe for the first time) about their working futures"

Received from a Teacher at Gowerton School following four days of work-related activities for Year 10 pupils.

Helping parents support their children

"Just to let you know that my son got a place and is now enrolled on the course. Thanks so much, I wouldn't have known about this course if you hadn't told me. His dashed dreams are now a thing of the past and he is back on track to do this course and get to university as planned."

Received from a parent on A-level results day who called our helpline when her son hadn't done as well as expected with his AS results.



Highlighting valuable workplace skills - Welsh Language

Year 9 pupils at Ysgol Dyffryn Aman took part in a range of workshops to raise awareness of the opportunities in the workplace and demand from employers for Welsh speakers.

Support for pupils with Additional Learning Needs

" Thank you for the excellent service the school has received this year. It has been very beneficial for both staff and pupils to be able to have regular access to a careers adviser at school. This has reduced the anxieties of a number of parents and carers as they face the difficult transition period from school to college. The value of the service and the professionalism shown by your adviser and her understanding of the needs of the school and the pupils has been invaluable. We look forward to working with you next year and hope the relationship can continue to develop and grow."

Received from an Acting Headteacher at a Special School

ACHIEVEMENTS OF OUR DIGITAL SERVICES

During 2015-16 we continued to develop our digital services.

This has extended our reach, providing clients with the opportunity to access services at a time and via a channel that best suits their needs.

CAREERSWALES.COM

1,452,235
sessions from

792,021 users

45,965 new
registered accounts

Improved user experience with new homepage and profile pages now responsive to use on mobile/tablet devices



WEBCHAT

7,634 enquiries received via the interactive 'chat' facility on careerswales.com



273,394

website users accessing Apprenticeship Matching Service (AMS) or Jobs Growth Wales (JGW)

80,904

Courses in Wales' users

Job Trends updated and refreshed – accessible, up-to-date **Labour Market Information (LMI)** providing a spotlight on a variety of **industries** including :

- Creative industries
- Food and Farming
- Tourism, Hospitality and Leisure



24,423

users generated personalised career ideas matched to their skills and interests using the Job Matching Quiz on our website



39,000 calls received to Careers Wales Connect, our **free telephone helpline**



105,223 emails

and **97,043 texts** sent providing clients with vacancy bulletins and appointment reminders



Careers Wales Careers Search App launched with job information on over **1,400 job titles**



Spotlights on key sectors - Labour Market Information

High quality labour market information (LMI) is essential to help individuals make informed learning and career choices and address the gap between career aspirations and labour market realities.

During the year we created and published a series of engaging 'Job Trends' resources. They were aimed at broadening horizons, raising awareness and generating interest in priority sectors for Wales – those identified by the Welsh Government as having the greatest potential for growth and jobs.

Published on our website and promoted across social media channels, the series provided young people and adults alike with layers of useful information about general employment trends – including salary information and future demand along with ideas of jobs in the sector, routes in, employment hotspots across Wales and the skills in demand.



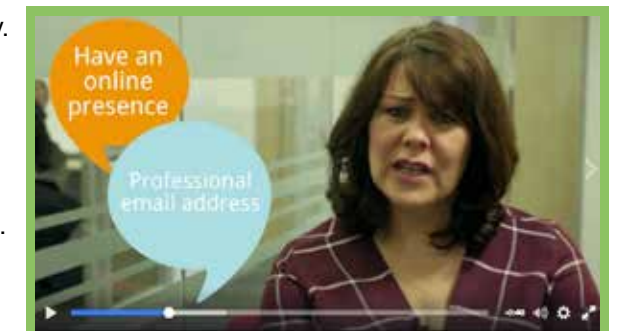
Launch of Spotlight on Food and Farming at the Royal Welsh Show 2015

Using social media to enhance awareness and engagement

This year our social media presence has increased substantially. As a key communications channel for our target audiences, we've developed a range of resources aimed at increasing engagement and awareness of key career messages.

f This has seen Facebook 'likes' increase by **859%** with a reach (number of times our posts were seen) of **3.2 million**.

t Twitter followers increased by **45%** and impressions (number of times our posts were seen) rose to **2.3 million**.



Video: Six ways to help your job search

We produced a range of career advice videos for this year and made them available via our YouTube channel. In just 6 months, our videos have already been viewed over 250,000 times.

ACHIEVEMENTS OF OUR SERVICES IN THE LABOUR MARKET

During 2015-16 services were developed and delivered to support young people and adults in the labour market and improve the outcomes of those in most need.

We tracked and managed employment status data on **all 16-18 year olds in Wales** and provided information to **every** local authority to ensure the provision of effective support for those in most need

20,739 unemployed 16-24 year olds benefited from personalised support, tailored to their needs

A further **2,733** clients developed employability skills during group sessions and job clubs

3,602 unemployed 16-17 year olds who have benefited from our services were supported into employment or training

5,760 clients benefited from our support to sustain their engagement in work-based learning or employment

1,138 people registered to use 'Skills to Succeed' to develop their employability skills.

Within a year, **340** had progressed to a **positive outcome**

We worked with partners to take our services out to clients through:

- jobs fairs
- pop-up shops, and
- 'Are You Ready For Work?' Roadshow

We supported **8,249** unemployed clients aged 25+ benefited from Individual Skills Gateway to assess their skills and explore career options through **14,214** individual interviews and **571** job clubs and clinics

We have supported **1,397** unemployed individuals aged 25+ into employment or skills training

We supported **4,973** individuals facing redundancy with applications for ReAct funding being approved

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Support for those facing redundancy

"I'm so grateful for Careers Wales' help during the difficult time after my redundancy and couldn't have set up my own business without guidance from the careers advisers in applying for the ReAct funding."



Ceri Rees, who has launched a Port Talbot-based consultancy

Engaging communities

We have established ourselves as a trusted agency in gypsy and traveller communities and have positively engaged with generations of families. Through our ongoing work to break down both direct and indirect racism experienced by this culture we are respected and able to build bridges to positively engage gypsy traveller learners.

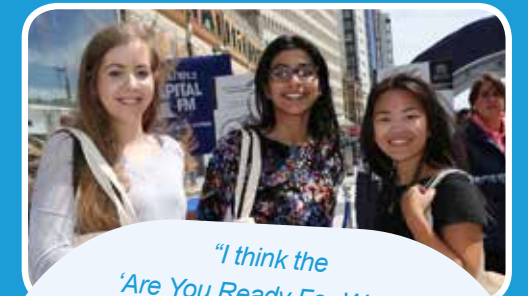
One young gypsy traveller, who we worked with 10 years ago; proudly updated us on her progress since accessing our support. She is about to start her Level 5 Child Care qualification.

Spreading the word with our 'Are You Ready for Work?' roadshow

More than 2,000 school leavers were helped to prepare for the world of work at Careers Wales' 'Are You Ready For Work?' roadshow which toured the country in July.

The roadshow addressed businesses' concerns that many school leavers lack the right attitude for entering the work place by offering young people one-to-one employability makeovers.

Visiting Cardiff, Newport and Wrexham, school leavers got into the mindset for entering the workplace with CV masterclasses, up-to-date labour market information, advice from trained Careers Wales advisers and live job vacancies which they could apply for on the spot.



"I think the 'Are You Ready For Work?' roadshow is a great idea, as it gives people a chance to speak to careers experts on their own doorstep rather than going to seek it out, and being in a less formal setting really helps too - I felt really comfortable speaking to the advisers."

Feedback from the event was positive:
KB, 19, from Chepstow

OUR STAFF

We're very proud of our team of staff at Careers Wales and what they have achieved. They are passionate about what they do and the difference they can make. Their continued determination to work with colleagues, partners and clients to deliver positive outcomes which make a real difference to people's lives is testament to their professionalism and commitment.

Our qualified careers advisers are on the professional register with the Career Development Institute.

This is what some of our staff have said about working for Careers Wales:

"I'm very proud of the work we do at Careers Wales to help people, who come from a variety of backgrounds and have very different circumstances, to move forward with their career goals. I'm lucky to work with such a dedicated and motivated team working with clients over the telephone supporting their next steps."



Charlotte Nash, Team Leader, Helpline, Cardiff

"I enjoy working for careers and find it exceptionally rewarding when I get positive comments from clients. It sums up the positive impact that I have had on them, and it makes me see what individual support can do in helping to move these clients into positive outcomes"

Changez Assen-Khan ,
Careers Assistant, Bridgend

"I have worked for Careers Wales for 10 years and have worked in five different roles. What I enjoy most is working within a great team of people who are dedicated and passionate about helping people make the right choices to improve their future prospects, I truly believe together we make a huge difference"

Amie Field, Area Manager, Rhyl

"The enjoyment when you actually hear relief in someone's voice because of advice or information you have provided. Or a parent/grandparent concerned about a teenage relative and you put their mind at rest. And clients who express gratitude for your patience and time providing funding/course information."

Steph Nichols, Careers Assistant,
Helpline



"I absolutely love my job as a Business Engagement Adviser. The best part of my job is that I work in collaboration with a number of internal and external partners ensuring that the service we provide is strengthened as we work together, whether they are school based programmes, sector based projects or large events."

Emma Bengier, Business Education Adviser,
Ammanford

CONTRIBUTION TO THE WELSH GOVERNMENT

SKILLS PERFORMANCE MEASURE

The Welsh Government has set four performance measures, which supports the delivery of the Skills Implementation Plan. Careers Wales has successfully contributed to each measure by delivering on a range of objectives as outlined below:



Jobs and Growth

- › Improving the efficiency and productivity of labour markets by reducing skills mismatches and smoothing transitions into work
- › Helping people to realise their potential by promoting greater understanding and awareness of Labour Market Information (LMI) and Welsh Government economic priority areas
- › Reducing youth and adult unemployment



Equality and Equity

- › Providing specialist support for young people with Additional Learning Needs (ALN)
- › Delivering all-age services targeted at those in greatest need - supporting those young people at risk of becoming NEET (Not in Education, Employment or Training) and by helping adults into work
- › Focussing on the needs of groups who are under-represented in employment, learning or training and by challenging stereotyping and occupational segregation



International Skills Benchmarking

- › Raising awareness of the learning and training opportunities available and the subsequent progression routes
- › Increasing ambition and motivation to participate in education and training and increasing attainment (particularly of maths and English)
- › Reducing drop-out from education and training



Financial Sustainability

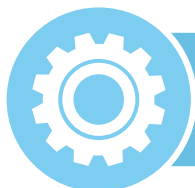
- › Encouraging employers to invest in the skills of their staff

LOOKING AHEAD

We hope this report has given you a feel for the work and impact of Careers Wales, during what was only our third year of existence as an all-Wales company. We are proud of our achievements which have been delivered during a time of significant change, downsizing and uncertainty. As the organisation matures, with greater stability and clarity of purpose, we are confident that we can make an even stronger contribution.

In the autumn of 2016 we will submit to the Welsh Government a new Strategic Vision for Careers Wales. This will demonstrate how we can support the Welsh Government's aim of securing a more prosperous, healthy and ambitious Wales.

The vision will be delivered by impartial and professional staff using cutting edge technology and approaches. Underpinned by evidence and international best practice, and informed by the views of stakeholders and citizens, we anticipate that the key features of this Strategic Vision will include:



Alignment with, and support for, key Welsh Government policies such as Successful Futures, Wellbeing of Future Generations Act and the pledge on increasing the number of apprentices

All age, bilingual services – with a stronger focus on helping young people through key transition points



A new 'blended' approach to delivering careers information, advice and guidance to young people and the implementation of a 'Career Discovery Model' combining digital tools, multiple channels and professional Careers Guidance

A new range of support services for partner organisations



Greater integration of services to exploit economies of scale and scope, so that the whole is greater than the sum of its parts

Better connected to business and based on the latest and best Labour Market Intelligence; and clearer focus on impact and performance measures



Agenda Item 4

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Higher Education Funding Council for Wales Annual report and accounts

For the year ended 31 March 2016



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Annual report and accounts

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Performance report

Overview

Accounting Officer's statement on performance

The reporting year has brought in significant changes for us, with the Higher Education (Wales) Act 2015 ('the HE Act') becoming law. We have started to modify our own role, with arrangements around fee planning and quality assurance changing, and our role as a higher education regulator strengthening.

Welsh higher education providers, both universities and further education colleges, will be adjusting to the changes in our relationship, and we continue to work with them to secure a smooth transition and to ensure that our new duties are carried out effectively. Dialogue, partnership, engagement and understanding, which have always been the basis of our relationship with providers, are all key to being a good regulator. As direct public funding from us diminishes however, the HE Act gives us powers to intervene if required.

Changes are in train in the realm of assessing the quality of higher education. We, along with higher education funders in England and Northern Ireland, spent much of the year looking for potential new ways of assessing the quality of higher education that will sit comfortably within a UK framework, while meeting our distinct Welsh needs.

We have dealt with the practical aspects of our change in role against a backdrop of major reports and announcements.

We have balanced our funds carefully for a number of years, but the decision by the Welsh Government to fund tuition fee grants directly to the Student Loans Company from 1 April 2015, rather than through HEFCW, resulted in a major reduction in our grant-in-aid funding of over 65%, from £362.5 million to £125.7 million. Since the year-end on 31 March 2016, we have needed to give additional consideration to the most effective ways of targeting our funding, following a £10 million reduction in our budget for the 2016-17 financial year, with a further £21 million at risk of moving from our budget and being put towards tuition fee grant funding later in 2016-17.

Towards the end of 2015-16, the Welsh Government published Professor Ellen Hazelkorn's '*Towards 2030*'. This review of the regulation arrangements for post-compulsory education and training in Wales recommended replacing HEFCW with a single new authority to regulate, oversee and co-ordinate all post-16 education and training. We await with interest the response of the Welsh government to Professor Hazelkorn's report.

Finally, since the end of 2015-16, Professor Sir Ian Diamond published his interim report on higher education funding and student finance arrangements in Wales, which provided a distillation of the evidence submitted so far. We await the publication of his final report and are optimistic that the final outcomes of this evidence-based policymaking process during 2016-17 will reflect the need to secure a world-class Welsh higher education system; a system which supports jobs and growth but which also makes a major contribution to culture, the arts and to equality and social cohesion .

We showcased many of the successes coming from the higher education sector in our January 2016 publication 'Higher Education for the Nation ii: the contribution of Welsh universities'. We highlighted the numerous positive contributions of Welsh higher education institutions to the economic and social prosperity of our country. Individually and

collectively, we should be proud of our universities. They are an investment which contributes to Wales as a vibrant nation, and well-resourced higher education institutions find it easier to uphold their reputations, attract students and meet the broader needs of Wales. For the foreseeable future, we will continue both to invest in these HE providers and to hold them to account, making sure students have a first-rate experience at strong, sustainable institutions.

About HEFCW

The Higher Education Funding Council for Wales (HEFCW) is the public body that sits between universities and the Welsh Government. We regulate fee levels at higher education (HE) providers, ensure a framework is in place for assessing the quality of higher education and scrutinise the performance of universities. We distribute resources for higher education teaching and research, and help to deliver Welsh Government priorities for higher education for the wider benefit of society and the economy.

We are Welsh Government Sponsored Body, originally established under the Further and Higher Education Act 1992. The Higher Education (Wales) Act 2015 has given us an enhanced role as a regulator of HE in Wales.

Purpose and activities of HEFCW

A two-year transitional period for HEFCW's duties under the new Act commenced on 1 September 2015, which will be fully implemented from 1 September 2017.

We regulate fee levels at universities, ensure a framework is in place for assessing the quality of higher education and scrutinise the financial, governance and risk performance of universities.

We distribute funding for HE provided by the Welsh Government. This includes:

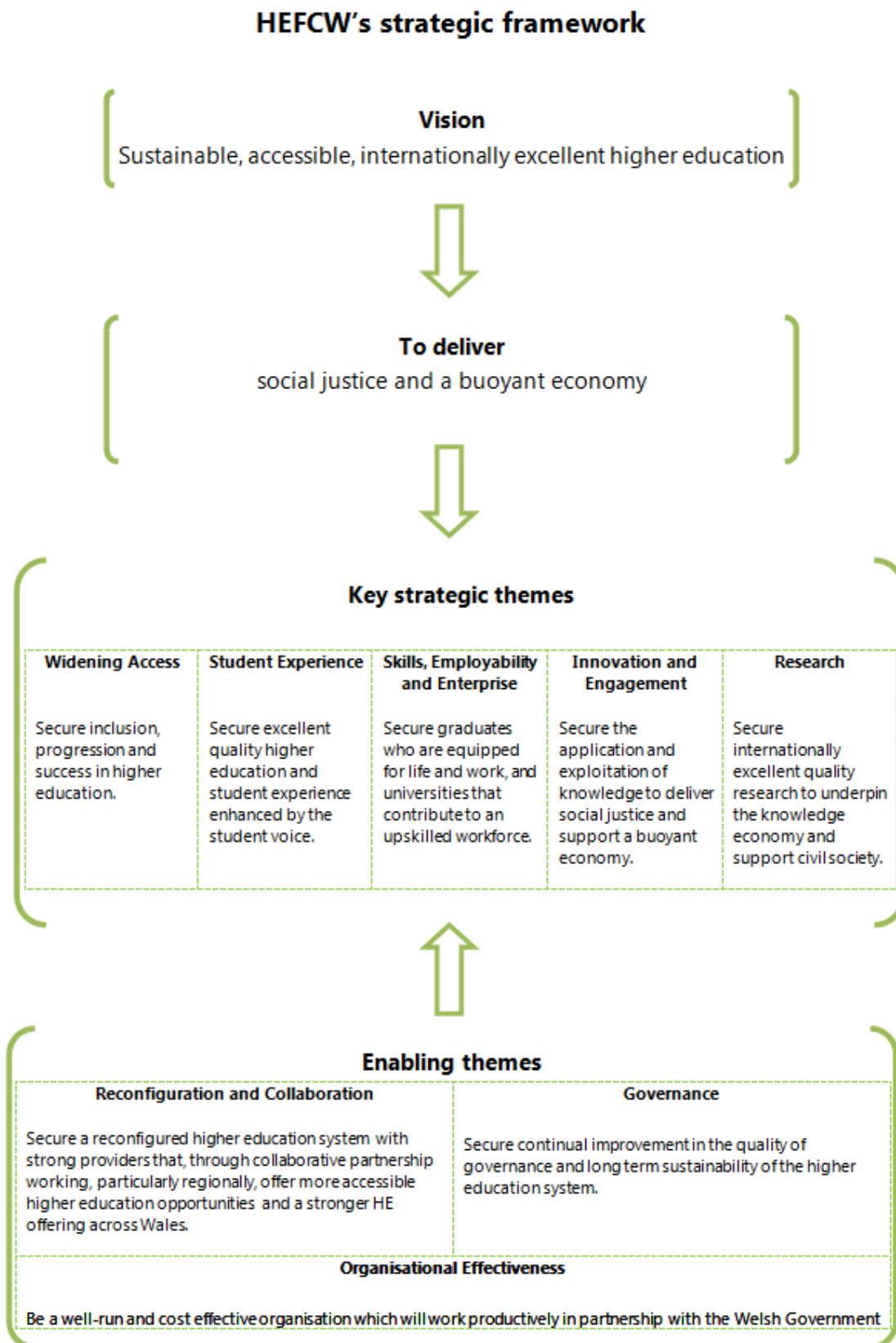
- Teaching, research and other funding to Welsh universities.
- Funding for HE courses at some further education colleges.

We support the HE system in Wales in delivering Welsh Government priorities, securing high quality learning, teaching and research and contributing to Welsh culture and society and the economy.

We also accredit providers of initial teacher training (ITT) for school teachers. Our responsibilities for ITT are covered under the Education (School Teachers' Qualifications) (Wales) Regulations 2004 and the Education Act 2005.

The key elements of our strategy have, throughout the year, been those set out in our corporate strategy for 2013-14 to 2015-16 and are set out below.

Our strategic framework is set out in the HEFCW Corporate Strategy 2013-14 to 2015-16 as follows:



Key issues and risks

Key issues for HEFCW during the year are detailed as ‘significant risks’ in our Governance Statement on pages 31 to 38. In summary, they consisted of:

- Significant budget reductions
- Welsh Government’s reviews of higher education funding and of governance arrangements for post-compulsory education in Wales (*Diamond* and *Hazelkorn* Reviews)
- The introduction of the Higher Education (Wales) Act 2015 –the transitional period of implementation commenced on 1 September 2015
- Developments in England and the potential impact on Welsh higher education

A revised corporate risk register of our key strategic risks was agreed by our Council in March 2016, and is subject to regular review.

The corporate risk register is structured to reflect all significant risks assessed by our teams in relation to their objectives and projects, including all appropriate corporate and operational plan objectives. Were these risks to materialise they would have a significant negative impact on HEFCW and/or on the higher education sector in Wales as a whole.

This does not mean these risks will definitely occur; rather, the risk register indicates that these are areas of risk which we need to be aware of and respond to in order to perform our role effectively. Monitoring and assessing key risks and current controls allows us to evaluate the effect of these major uncertainties on our corporate strategy and operational plan objectives. Where appropriate we can then make adjustments to our control measures.

Risk area	Main risk(s)
Sustainability and assurance	<ul style="list-style-type: none"> • Higher education providers fail to maintain effective regional partnerships. • HE institutions unable to maintain their long term financial sustainability.
Widening access	<ul style="list-style-type: none"> • Failure of sector to meet part-time corporate strategy target.
Student experience	<ul style="list-style-type: none"> • HE sector fails to meet our Corporate Strategy target for Welsh medium provision. • Failure to secure effective delivery of Initial Teaching Training. • Failure to secure excellent quality higher education and student experience in context of funding changes which is competitive in the UK and in the international environment. • HEFCW unable to meet its statutory responsibilities for quality under the HE (Wales) Act in light of changes to quality assurance arrangement and the Teaching Excellence Framework.
Research	<ul style="list-style-type: none"> • HE sector fails to meet Welsh Government expectations of improved research performance and the related expectation of an increase in UK research council income. This risk increases as quality research falls.

Risk area	Main risk(s)
HEFCW operating risks	<ul style="list-style-type: none"> • Workload increases beyond staff capacity. • Welsh Government fails to engage with, and utilise, HEFCW effectively in relation to HE developments. • HEFCW funding, post fee grant changes, is inadequate to support strategic investments and core priorities. • Risk of continuing increase in Welsh domiciled students choosing to study elsewhere, especially in the light of the lifting of the student number cap in England and initiatives to promote recruitment to high tariff universities. • HEFCW unable to implement Higher Education (Wales) Act 2015 effectively. • Capacity to operate within substantially reduced future running costs' budgets. • Some institutions fail to deliver effective Fee and Access plans. • Inability to agree and implement pay proposals for 2013-14 and 2014-15 due to affordability and sustainability and/or resistance from the Welsh Government.

Performance in year - summary

Operational plan – progress against priorities

The tasks in our operational plan have been largely based on priorities identified by the Welsh Government in its annual remit letter to us. Quarterly updates and monitoring meetings with the Welsh Government ensure a continual assessment of our achievements and give us an opportunity to address areas that might not be progressing satisfactorily.

The format for the Operational Plan was revised in 2015-16 in response to steers from the Welsh Government that we should amend our annual plan to detail the wider range of activities carried out by us every year, and not just activities set out in the annual remit letter. This meant that there were 176 activities in the latest plan, compared to 34 the previous year. 162 of these were completed (see 'Operational Plan – outcomes' below on page 10).

Corporate strategy – progress against measures

There are seventeen targets in HEFCW's Corporate Strategy 2013-14 to 2015-16¹, baseline data for which was academic year 2011/12. As a means of monitoring our progress over the last four years against the targets, we set out below the latest available information for the academic year to 31 July 2015. The Welsh Government agreed to an extension of our current Corporate Strategy to 2016-17². Details of progress made are given in 'Progress against Corporate Strategy measures – analysis' below on pages 11 to 17.

¹ www.hefcw.ac.uk/documents/publications/corporate_documents/Corporate%20Strategy%202013-14-2015-16.pdf

² Paragraph 10 of [W15/02HE](#)

Financial overview

Performance in year

	2016	Restated 2015
	£000	£000
Funding of higher education	133,975	373,201
Council expenditure	2,752	2,580
Other income	(8,046)	(20,519)
Interest payable	1	-
Grant in aid – funding from the Welsh Government	<u>(125,747)</u>	<u>(362,518)</u>
(Decrease)/increase in Taxpayers' Equity	<u>(2,935)</u>	<u>7,256</u>

Grant in aid has fallen significantly in the year due to the Welsh Government's decision to fund tuition fee grants directly to the Student Loans Company from 1 April 2015.

The reduction of £12.5 million of 'Other income' is primarily due to the end of ESF project funding and one-off UKRPIF funding received for Swansea University in 2014-15.

See the Statement of Comprehensive Net Expenditure and the Statement of Changes in Taxpayers' Equity on pages 53 and 56 and note 7 to the accounts (in respect of the restated 2015 figures) for further details.

Expected future developments

Over the next twelve months, we will better forge our own identity and develop the strategic direction for higher education in Wales, while continuing to implement the requirements of the Higher Education (Wales) Act 2015.

- Our new corporate strategy will take effect in April 2017. In the meantime, we will be carrying out an extensive consultation on its development.
- Parallel to this, we will be working with higher education providers on a brand new strategy for higher education that will prepare them for the challenges that lie ahead over the coming years. We will be looking at how to sustain and develop a strong HE system in the context of Welsh Government priorities and wider UK changes.
- Under the Higher Education (Wales) Act 2015, we have specific duties relating to: fee and access plans; the quality of education; a Financial Management Code for regulated institutions; and a Statement of Intervention, showing what happens if a regulated institution fails to reimburse excess student fees or fails to address identified quality issues. We will carry on with our formal consultations on a number of aspects of our new requirements over the current 'transitional period', while continuing to talk to providers about any issues or concerns they have before the full execution of our new duties in September 2017.

- We await the final outcomes of Professor Sir Ian Diamond's independent review of higher education funding and student finance arrangements, and will be fully engaged in implementing any changes that arise as a result of subsequent Welsh Government actions.
- We will also be supporting the Welsh Government in implementing any changes to our remit once it considers in more detail the recommendations of Professor Ellen Hazelkorn's review *Towards 2030*.
- Finally, we expect to publish an analysis of the effects of the Welsh Government's current fees and funding framework on universities' income in Wales for the first three years of its operation, as part of our drive to make funding information transparent and publicly accessible.

Performance analysis

HEFCW is required by the Welsh Government to have a corporate plan setting out our medium to long term objectives and an operational plan for the financial year ahead. The plan was amended in 2015-16 to detail a wider range of activities undertaken as well as the activities set out in the annual remit letter. Quarterly updates and monitoring meetings are held with the Welsh Government to monitor progress against the operational plan.

The Framework Document, which sets out the terms of the relationship between the Welsh Government and HEFCW, requires us to set budgets and monitor expenditure. This is achieved by issuing monthly budget reports and re-profiling cash expenditure on a quarterly basis. We also monitor our cash balances on a monthly basis to ensure that they are kept within prescribed limits.

Operational plan - outcomes

Of the 176 activities identified in our operational plan:

- 162 were completed (of which 152 were achieved in the timescale set).
- 8 were not completed within the planning period.
- 6 were no longer applicable due to external factors.

Some delays were as a result of having to implement our new statutory responsibilities within the necessary timescales. Others had no set end date or had flexible end dates to ensure that we are able to deliver the required outcomes.

Our achievements in 2015-16 included:

- Developing new guidance for 2017-18 fee and access plans.
- Developing new quality assurance arrangements that meet the needs of Wales, and are appropriate to the requirements of the Higher Education (Wales) Act 2015.
- Our continuing work with the Higher Education Funding Council for England (HEFCE) on the review of public information, including the National Student Survey.
- Publishing our 'transitional statement of intervention', which details how we will proceed if a regulated institution fails to reimburse excess student fees or fails to address identified quality issues.
- Piloting the collection and analysis of in-year international student and transnational education data in conjunction with Universities Wales and universities.
- Developing and securing funding for a new GO Wales programme.
- Developing a new financial memorandum between us and higher education providers.
- Producing a report for the Education Minister on the latest position regarding senior pay based on HE institutions' financial statements and annual reports.
- Engaging with Wales and UK developments around research and innovation, including feeding into UK-wide reviews of structures and support.

Progress against corporate strategy measures – analysis

There are seventeen targets in our Corporate Strategy 2013-14 to 2015-16³, baseline data for which was 2011/12. As a means of monitoring our progress over the last four years against the targets, we set out below the latest available information for the academic year to 31 July 2015. Last year, the Welsh Government agreed to an extension of our current Corporate Strategy to 2016-17⁴, in effect providing a further year to reach the targets.

Looking at 2014/15 data and rolling this performance forward, it is possible that the following targets will be met: Widening access (Target T1), Participation (T2); Retention (T3, Full-time); Welsh medium (T6) (5 credit target only); CPD (T12), Collaborative research income (T13); and REF (T15). However, institutional forecasts are yet to be received and may show a different picture for some of these targets.

A number of targets are comparative to UK performance or await data on performance and cannot therefore be assessed. This applies to Part-time (T4); NSS (T5); Overseas students (T7); Quality (T8); ITT (T9); Employment (T10); Research Council income (T14); Income (T16) and Governance (T17).

Performance based on 2014/15 indicates that two targets will not be met: Retention (T3, Part-time) and Welsh medium (T6) (40 credits). Data for Employability (T11) is not yet available, and as indicated above, institutional forecasts may show a different picture.

We will continue to monitor progress and work with the higher education sector to encourage improved performance in these policy areas, noting that changes to our powers and funding constrain the extent to which we are able to exercise leverage in these areas.

	Baseline	Progress	Progress	Progress
1	A rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the bottom quintile of Lower Super Output Areas in the Welsh Index of Multiple Deprivation or in Communities First cluster areas, from 20.1% in 2011/12 to 22.4% in 2016/17 (a rise of 11.6%)			
	*Baseline and target have been amended to reflect late inclusion of an area in the Communities First initiative			
	2011/12	2012/13	2013/14	2014/15
	20.1%	20.7%	20.9%	21.6%

³ www.hefcw.ac.uk/documents/publications/corporate_documents/Corporate%20Strategy%202013-14-2015-16.pdf

⁴ Paragraph 10 of [W15/02HE](#)

	Baseline	Progress	Progress	Progress
2 An increase in the proportion of all UK domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are from UK low participation areas from 33.2% in 2011/12 to 35.3% in 2016/17 (a rise of 6.3%)				
	2011/12	2012/13	2013/14	2014-15
	33.2%	34.0%	34.3%	35.2%
3 (a) A decrease in the percentage of full-time undergraduate students no longer in higher education following year of entry from 9.2% in 2011/12 to 8.2% in 2016/17 (a drop of 10.7%)				
	2011/12	2012/13	2013/14	2014-15
	9.2%	7.5%	7.5%	8.2%
3 (b) A decrease in the percentage of part-time first degree students no longer in higher education two years following year of entry from 33.7% in 2011/12 to 30.1% in 2016/17 (a drop of 10.7%)				
	2011/12 (2009/10 entry)	2012/13 (2010/11 entry)	2013/14 (2011/12 entry)	2014/15 (2012/13 entry)
	33.7%	30.9%	35.5%	34.4%
4 The percentage change in the number of part-time students attending higher education courses in Welsh higher education institutions and further education institutions to be equal to, or greater than, the comparable figure for the UK				
	2010/11 to 2011/12 % growth	2011/12 to 2012/13 % growth	2012/13 to 2013/14 % growth	2013/14 to 2014/15 % growth
	Welsh institutions	Welsh institutions	Welsh institutions	Welsh institutions
	-2.2%	-4.8%	-3.4%	-4.0%
	UK institutions	UK institutions	UK institutions	UK institutions
	-6.0%	-13.8%	-7.3%	-5.1%

	Baseline	Progress	Progress	Progress
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5 The three year rolling average score for Wales in the National Student Survey 'overall satisfaction'* question will be **equal to, or greater than the comparative score for the UK**

* 'Score' means percentage of students who agreed with 'Overall, I am satisfied with the quality of my course'.

	2010 to 2012 3-year rolling average	2011 to 2013 3-year rolling average	2012 to 2014 3-year rolling average	2013 to 2015 3 year rolling average
Welsh institutions	83.3%	83.7%	84.3%	84.7%
UK institutions	83.3%	84.3%	85.3%	85.7%

6 The number of students studying higher education courses at higher education institutions and further education institutions in Wales undertaking at least 5 credits of their course through the medium of Welsh, per annum, will rise from 4,335 in 2011/12 to 5,600 in 2016/17, including a rise from 2,269 to 3,030 in the number of those studying at least 40 credits per annum

	2011/12	2012/13	2013/14	2014/15
5+ credits	4,335	4,881	4,858	5,228
40+ credits	2,269	2,359	2,445	2,484

	Baseline	Progress	Progress	Progress
<p>7 The percentage change year on year in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East)</p>				
	2010/11 to 2011/12 % growth	2011/12 to 2012/13 %growth	2012/13 to 2013/14 % growth	2013/14 to 2014/15 % growth
	Welsh HE institutions -1.5%	Welsh HE institutions -1.4%	Welsh HE institutions 7.4%	Welsh HE institutions -5.1%
	UK HE institutions (excl London and SE England) 2.6%	UK HE institutions (excl London and SE England) 0.7%	UK HE institutions (excl London and SE England) 4.1%	UK HE institutions (excl London and SE England) 0.3%
<p>8 All institutions being reviewed in the Corporate Strategy period to receive QAA Institutional Review outcomes of 'commended' or 'Meets UK expectations' for all judgements'</p> <p>Data complete as at 31 May 2016</p>				
		2013/14	2014/15	2015/16
	Number reported in period	1	3	2
	Number 'commended' or 'Meets UK expectations'	1	3	2

	Baseline	Progress	Progress	Progress
<p>9 Welsh Government intake targets for ITT undergraduate primary, postgraduate primary, undergraduate secondary, postgraduate secondary priority and postgraduate secondary other subjects to be met annually</p> <p>NB: Intake targets are monitored at individual centre, phase, level and subject using HESES data and if any individual target is over-recruited to by more than 5% a penalty is applied. No penalties were applied in 2012/13, 2013/14 or 2014/15. Under-recruitment is allowed but is monitored⁵. The Corporate Strategy target is monitored at sector level using HESA data.</p>				
		2012/13	2013/14	2014/15
	Primary UG	2%	-1%	-3%
	Primary PG	4%	2%	-1%
	Secondary UG	-15%	-52%	-69%
	Secondary PGCE-priority	-18%	-12%	-31%
	Secondary PGCE - other	3%	-1%	-14%
<p>10 The proportion of leavers from Welsh higher education institutions obtaining undergraduate qualifications through full-time or part-time study who were employed, studying or both six months after leaving will be equal to, or greater than, the UK proportion</p>				
	2010/11	2012/13	2013/14	2014/15
	Welsh institutions	Welsh institutions	Welsh institutions	Welsh institutions
	92.2%	93.5%	94.2%	Data not yet available
	UK institutions	UK institutions	UK institutions	UK institutions
	91.5%	93.1%	93.8%	Data not yet available

5

www.hefcw.ac.uk/documents/publications/circulars/circulars_2013/W13%2008HE%20Initial%20Teacher%20Training%20Controls%20n%20recruitment%20against%20intake%20targets.pdf

	Baseline	Progress	Progress	Progress
11 The proportion of leavers who were working or working and studying who were working in a managerial/professional job six months after leaving to rise from 67.5% in 2010/11 to 72.7% in 2016/17 (a rise of 7.7%)				
	2010/11	2012/13	2013/14	2014/15
	67.5%	68.4%	70.2%	Data not yet available
12 The total number of learner days delivered by Welsh higher education institutions for continuing professional development will rise from 202,498 in 2011/12 to 226,000 in 2016/17 (a rise of 11.6%)				
	2011/12	2012/13	2013/14	2014/15
	202,498	213,534	206,147	248,867
13 The total amount of income from collaborative research involving both public funding and funding from business will rise from £65,294k in 2011/12 to £72,000k in 2016/17 (a rise of 10.3%)				
	2011/12	2012/13	2013/14	2014/15
	65,294k	70,006k	83,135k	83,669k
14 The annual percentage change in income from Research Councils will exceed the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London)				
	2010/11 to 2011/12 % growth	2011/12 to 2012/13 %growth	2012/13 to 2013/14 % growth	2013/14 to 2014/15 % growth
	Welsh HE institutions	Welsh HE institutions	Welsh HE institutions	Welsh HE institutions
	-3.6%	-10.1%	5.7%	9.9%
	UK HE institutions	UK HE institutions	UK HE institutions	UK HE institutions
	-4.0%	1.6%	6.6%	7.4%

	Baseline	Progress	Progress	Progress
15 An increased proportion of research submitted to REF by Welsh higher education institutions will achieve 3* and 4* in the Research Excellence Framework 2014 from a baseline of 35% at 3* and 14% at 4* in the 2008 Research Assessment Exercise.				
	2008 RAE	2014 REF		
	4* 14%	4* 30%		
	3* 35%	3* 47%		
16 At least 75% of the Welsh higher education institutions to have an annual income in excess of the UK median, with no institution to be in the lower quartile by 2016/17				
	2011/12	2012/13	2013/14	2014/15
	In excess of UK median	In excess of UK median	In excess of UK median	In excess of UK median
	40%	50%	50%	50%
	(4 out of 10 institutions)	(4 out of 8 institutions)	(4 out of 8 institutions)	(4 out of 8 institutions)
	In lower quartile	In lower quartile	In lower quartile	In lower quartile
	30%	13%	13%	13%
	(3 out of 10 institutions)	(1 out of 8 institutions)	(1 out of 8 institutions)	(1 out of 8 institutions)
17 No higher education institution to be classified as 'high risk' in accordance with HEFCW institutional risk review processes				
	2011/12	2012/13	2013/14	2014/15
	0	0	1	1

Corporate strategy objectives and outcomes

Widening Access: To secure inclusion, progression and success in higher education

We have worked closely with universities to encourage individuals from groups traditionally under-represented in higher education to consider higher-level learning and skills opportunities. Care leavers are one such group: only some 6% of care leavers in Wales aged 19 were in full-time post-16 education in 2013. During the reporting year, Carers Trust Wales and the University of Wales Trinity Saint David hosted the biggest gathering of young adult carers ever seen in Wales, which encouraged them to learn more about university life. Twenty young people with a care background took part in a summer school at Cardiff University, aimed at encouraging those from traditionally underrepresented groups to think about going to university. Students who have been in care are offered year-round university accommodation and additional support through a Care Leaver Bursary scheme, which contributes towards costs for graduation, travel and clothes for interviews.

We funded the Wales Institute of Social and Economic Research, Data & Methods (WISERD) (based at Aberystwyth, Bangor, Cardiff, South Wales and Swansea Universities) to study pupil access to higher education in considerable detail. A Cardiff University WISERD report in September 2015 concluded that Welsh school pupils' chances of getting into university vary dramatically according to the school they attend and the local authority in which it is situated, irrespective of their individual educational attainment. Pupils attending schools with strong records of higher education participation were almost three times as likely to participate in higher education compared with those at schools with average levels of higher education participation, regardless of their educational attainment, socio-economic or ethnic background.

Skills, Employability and Enterprise: To secure graduates who are equipped for life and work, and universities that contribute to an upskilled workforce.

Our investment in part-time courses helps universities ensure that their fees for part-time courses are kept down, helping to make learn-as-you-earn or improving skills affordable for more people. Universities have pointed to their successes in improving the 'employability' of their graduates, with high proportions of graduates not only employed but in graduate jobs. During the year, the UK Commission for Employment and Skills (UKCES) chose five organisations to test new ways to develop skills for innovation in manufacturing. Two of these projects are led by universities - Cardiff Metropolitan and Swansea.

Cardiff Metropolitan University and Acorn Learning Ltd developed a foundation degree in Applied Professional Practice, designed to develop employees' skills. And staff working at all levels in the education sector can now access the OU in Wales's online resources for professional development through 'OpenLearn' and 'FutureLearn'.

In June 2015, business leaders, entrepreneurs, careers advisers and student employability experts met in Cardiff to look at how universities prepared graduates for the world of work. Our Insight into Employability conference brought together the main influencers on graduates' careers to share their experiences in giving their students the 'edge' in employment. The then Deputy Minister for Skills underlined the importance of delivering what employers want: graduates with work experience, a capacity for critical thinking, subject knowledge and technical skills, in order to retain highly-skilled graduates in the

Welsh economy. A series of workshops provided a glimpse into employability programmes at universities, including the University of South Wales's Grad Edge Award, the Open University's coaching for students from disadvantaged areas and the Swansea University Employability Academy.

The University of Wales Trinity Saint David's Creative Bubble has seen hundreds of students had make a positive social and economic impact on Swansea city centre while improving their employability and entrepreneurship skills. Students have organised street performances, art exhibitions, pop-up craft fairs, drop-in workshops and managed a summer stage in the city centre from the Creative Bubble city centre premises, while entrepreneurs dropped by to talk to students about opportunities. Through these connections and Creative Bubble, students had been offered paid employment, placements and internships.

Student Experience: To secure excellent quality higher education and student experience, enhanced by the student voice

85% of students in Wales are satisfied with their overall higher education experience, according to last year's survey of universities and further education colleges. The National Student Survey showed that overall satisfaction remained steady, and there were particular gains in the areas of learning resources and satisfaction with the students' union.

Jake Sallaway-Costello, who graduated from Bangor University in 2015 with a BSc (Hons) degree in Psychology with Clinical and Health Psychology, recalled his time at Bangor University, which he says saw him transform from a worker to a professional. He highlighted the opportunities in Bangor to participate in paid internships, language classes, co-curricular volunteering projects, international education and a world-class personal-professional-development programme. The University provided him with career-enhancing experiences, and Jake graduated with a strong professional network and a number of awards under his belt, and entered the jobs market with both skills and confidence. Bangor University now has plans to work with Horizon Nuclear Power: on student employability, work placements and graduate employment; to share researchers and facilities; and to promote science, technology, engineering and maths (STEM) subjects.

The University of South Wales opened a £3.3 million development of its Aerospace Centre, building on its partnership with British Airways which gives the airline's staff the opportunity to develop their skills at the University, while aerospace students are given access to real aircraft to improve their career prospects while they study for their degree.

Innovation and Engagement: To secure the application and exploitation of knowledge to deliver social justice and a buoyant economy

The results of the HE-BCI survey once again showed how successfully university researchers collaborated with commerce, community bodies and the public sector. For example, the survey showed that Wales's universities were particularly effective at creating the right conditions for their academic staff and their graduates to start spin-off companies, some of which are part-owned by a university.

The University of Wales Trinity Saint David and Cardiff Metropolitan University lead Wales's Institute for Sustainable Design. Through this they run the Cerebra Innovation

Higher Education Funding Council For Wales

Centre, which offers bespoke design services for products that benefit children with neurological conditions. Not only has the Institute been working with a national charity, it has also commercialised some of the products in partnership with third party manufacturers under licensing agreements.

Glyndŵr University scientists have now finished polishing prototype mirrors for the world's largest telescope (the European-Extremely Large Telescope) down to less than 7.5 nanometres - the size of a molecule - after four years of work.

Swansea University opened Europe's first Centre for NanoHealth, which offers access to academic staff, NHS health board clinicians and industry, and provides a technology and innovation base for businesses.

Aberystwyth University has attracted £20 million of European funding towards its Innovation and Enterprise Campus, a facility designed to attract further research funding for companies and researchers to collaborate on projects to generate innovative new products, services and spin-out companies in sustainable food, health, biotechnology and renewable energy sectors.

Cardiff University's expertise in researching and developing innovative technologies for the UK healthcare sector will support Precision Medicine Catapult's Cardiff Centre, funded by Innovate UK. This is one of six centres of excellence to identify and resolve barriers to building a leading UK precision medicine industry.

Research: To secure research of internationally excellent quality to deliver a buoyant economy and support social justice

Universities attract funding for research and development, generating jobs and growth. The latest Research Excellence Framework (REF) 2014 showed that half of the research submitted by Welsh universities was world-leading in terms of its impact on life beyond academia. Universities have continued to contribute to a more prosperous, more equal Wales. HEFCW research funding has been a launch pad for numerous projects that have gone on to secure Welsh or UK government, European or private funding, such as Swansea University's £522 million investment in its Bay Campus development programme.

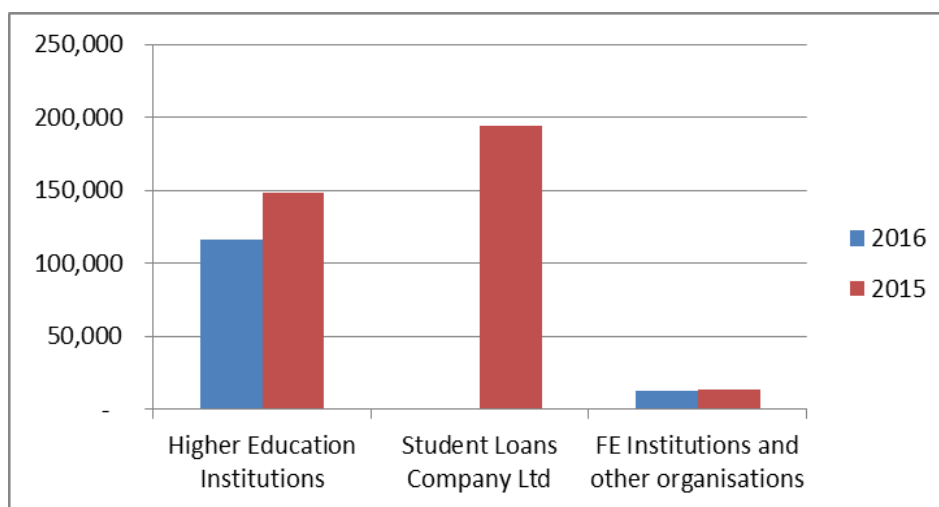
Bangor is the university lead for Menai Science Park, a £20 million development which aims to: encourage hi-tech industry and scientific research partnerships in north-west Wales; create skilled long-term employment opportunities; and be an economic hub in sectors such as low carbon, energy and environment and information and communications technology. The Department of Law and Criminology at Aberystwyth University was awarded £890,000 from the Big Lottery Fund as part of a £1.3 million research project on justice for older people who are abused in their own homes.

Cardiff University's £300 million development of the Maindy Road site includes plans to build the world's first Social Science Research Park, which would be able to turn world-leading research into solutions to pressing problems facing society and the world. The University's Compound Semiconductor cluster has the potential to create up to 5,000 jobs in the region over the next five years, and is part of efforts to reclaim high value technology manufacturing from global competitors. Meanwhile, its Sustainable Places Research Institute is conducting research into the Welsh Government Food Policy, exploring issues of food poverty and the impact of food production and consumption. Cardiff University is the biggest single recipient of HEFCW research funding.

Financial analysis

In delivering the strategic aims and objectives as set out, we received a total of £125.7 million of grant in aid funding from the Welsh Government (2014-15: £362.5 million). This represents an annual decrease in overall funding of £236.8 million and is primarily due to the change in the method of payment of tuition fee funding to the Student Loans Company (SLC) whereby this funding was paid directly to the SLC by the Welsh Government from 1 April 2015.

Funding of higher education expenditure (£'000)



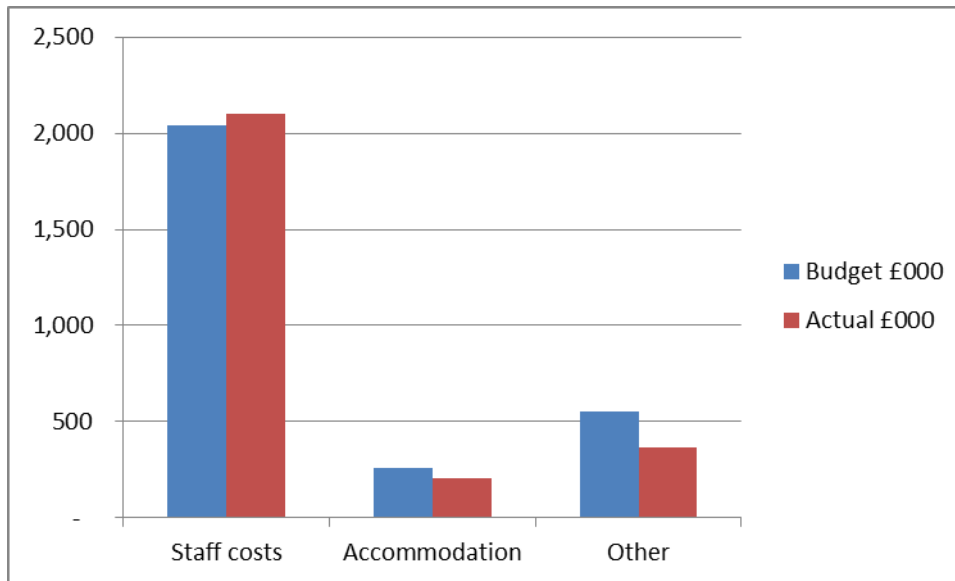
In addition to grant in aid funding from the Welsh Government, £8.0 million of other income was receivable in 2015-16 (2014-15: £20.5 million). The reduction of £12.5 million is primarily due to the end of ESF project funding and one-off UKRPIF funding received for Swansea University in 2014-15.

Total expenditure in 2015-16 was £136.7 million (2014-15: £375.8 million (restated)). Of this, £134.0 million (2014-15: £373.2 million (restated)) relates to the funding of the higher education and £2.8 million (2014-15: £2.6 million) to our own costs incurred in managing and distributing grant funding to the higher education sector. The fall in the former is attributable to the change in the method of funding the tuition fee grants to the SLC.

The net operating costs for the year were £128.7 million (2014-15: £355.3 million (restated)). The cumulative taxpayers' equity general fund at 31 March 2016, after crediting the grant in aid funding referred to above, was £14.5 million (31 March 2015: £17.4 million (restated)). The financial accounts will always record a net operating costs result for the year as a consequence of the crediting of funding received to the taxpayers' equity general reserve in the Statement of Financial Position. Our activities are also planned to ensure that our cash carry forward at the financial year end remains within the two per cent of total grant in aid for the year allowed by the Welsh Government.

Expenditure on property, plant and equipment amounted to £36k in the year.

Council expenditure 2015-16 (£'000)



Other financial key performance indicators

The cash balance as at 31 March 2016 was £1.6m which represented 1.27 percent of total grant in aid funds available (2014-15: £4.1m, 1.14 percent) and remained within the maximum of 2% of total funding for the year permitted by the Welsh Government, as set out in the Framework Document.

HEFCW is operating under the Welsh Government's target to pay suppliers of goods and services within ten working days of receiving a valid invoice. In 2015-16, HEFCW paid 95.1% of invoices within ten working days, with an average payment time of 2.2 days (2014-15: 96.5% and an average of 1.7 days).

Sustainability

Our primary role is to develop and sustain internationally excellent higher education in Wales, for the benefit of individuals, society and the economy, in Wales and more widely. The 46 staff, plus Council members, who make up the organisation, operate from a single shared office building in north Cardiff. Our main direct environmental impact arises from the use of the office building and business travel.

HEFCW has been recording its environmental performance since 2007-08. This has been supported by the use of an environmental management system, which has driven improvements in our environmental management processes. HEFCW has also sought to drive improvements through procurement, as is evidenced by the actions set out within the annual Sustainable Procurement and Environmental Improvement Plan and the use of framework contracts, which include a higher level of environmental performance than we could, realistically, have achieved, when negotiating directly with these contractors. The development and ongoing actions required under the environmental management system are co-ordinated through the HEFCW Health and Safety / Sustainability Group.

In April 2016, the Well-being of Future Generations (Wales) Act came into force. This places further duties upon HEFCW to ensure that sustainability is fully embedded within our decision-making and management processes, both in relation to internal actions and our engagement with the higher education sector.

Electricity Consumption

In 2013-14 we were successful in persuading the landlord to introduce separate sub-metering for each floor of the building which provides detailed and accurate electricity consumption for each part of the building as well as accurate billing. In 2014-15 the landlord also installed voltage optimisation equipment which undoubtedly accounts for some of the energy savings achieved in electricity consumption in that year (9.5%). In 2015-16, a further mild winter has assisted in achieving a further reduction of 3.2% in both consumption and CO2 emissions.

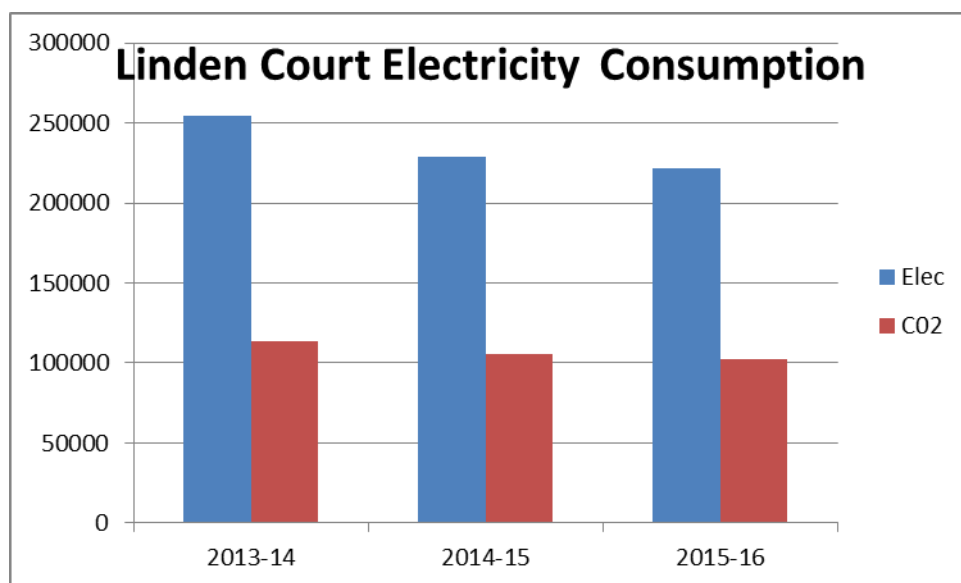


Table1

Business Travel

Carbon emissions associated with business travel declined by 60% during the period 2008-09 to 2012-13. Since then, business travel has been erratic with an increase of over 40% in business mileage over the two previous years and a reduction of 10.6% in 2015-16. Recorded use of video conferencing as an alternative to travel, has also increased in 2015-16 with recorded savings of over 10,000 miles compared with 7,225 in the previous year. It is also worth noting that use of video conferencing saved nearly 240 hours of staff time.

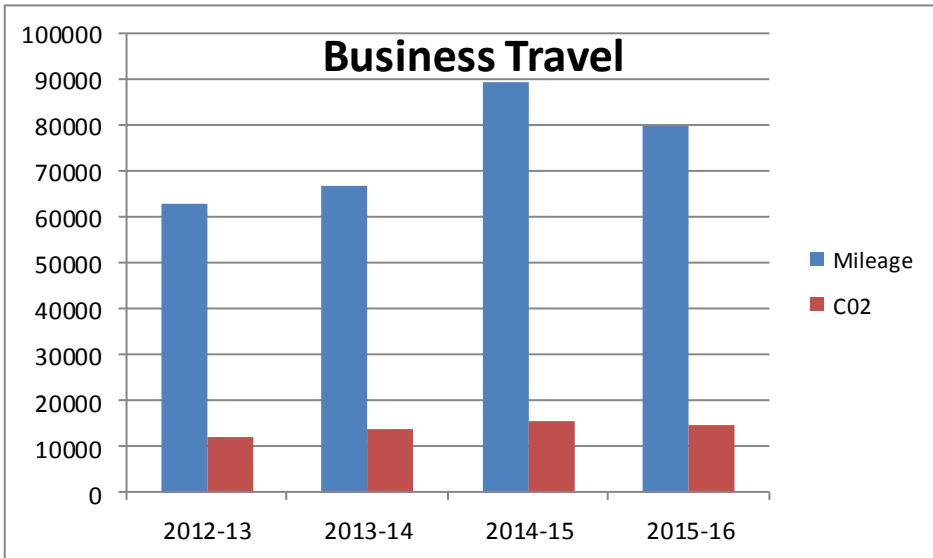


Table 2

The components of business travel are variable between years with significant changes evident between rail travel and staff using their own vehicles, particularly evident.

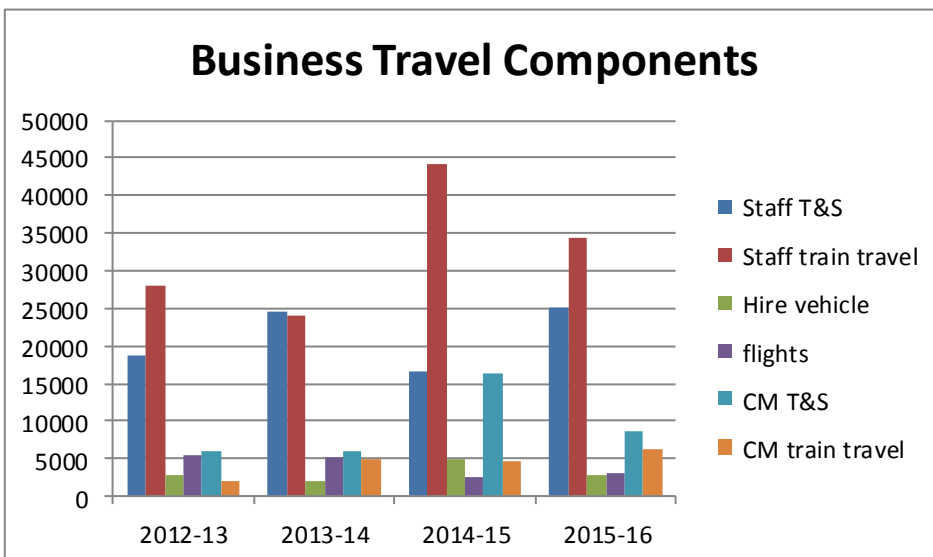


Table 3

Waste Minimisation

Redundant ICT constitutes a significant potential source of hazardous waste for HEFCW. Recent changes in legislation require manufacturers to recycle waste electronic equipment. However, much of the surplus ICT equipment generated by HEFCW is capable of providing further service in a less technically demanding context. The previous framework agreement has now expired and will need to be renewed to cope with anticipated ICT disposals in 2016-17.

HEFCW continues to provide segregated waste collection allowing recycling of paper, plastics and metals. Provision for disposal of other hazardous waste including batteries and fluorescent light bulbs is provided via existing maintenance contractors. All batteries purchased are, where possible, rechargeable.

Summary

The current year has witnessed progress being made in all three areas of environmental performance which we seek to measure (electricity, business travel and waste minimisation). It is encouraging to see increased use of video conferencing which has increased by nearly 25% over the previous year. The continued reduction in the use of paper has now continued every year for the last 5 years, as increasingly paper use is minimised through the use of electronic filing systems. Paper consumption is now approximately 40% of the amount first recorded in 2007-08. The modest reduction in electricity consumption has been achieved against a background of a further mild winter comparable to 2014-15. All of the reductions achieved offer financial as well as environmental benefits.

Dr David Blaney
Chief Executive and Accounting Officer
14 July 2016

Accountability report

Corporate Governance report

Directors' report

Council membership

The following persons served as Council members during the reporting year:

Chair

Mr David Allen OBE (*First term: 5 May 2014 to 4 May 2017*). *Former Registrar and Deputy Chief Executive of the University of Exeter*

Chief Executive (and Accounting Officer)

Dr David Blaney

Other Council members:

Name	Personal history	Term of office	Committee membership
Dame Alexandra (Sandra) Burslem, Deputy Chair	Former Vice-Chancellor, Manchester Metropolitan University	First term: 01/12/08 to 30/11/11 Second term: 01/12/11 to 30/11/14 Third term: 01/12/14 to 30/11/17	Strategic Development Committee (Chair) Human Resources Committee Remuneration Committee
Mrs Bethan Guilfoyle CBE	Former Headteacher, Treorchy Comprehensive School	First term: 01/04/10 to 31/03/13 Second term: 01/04/13 to 31/03/16 Third term: 01/04/16 to 31/03/17	Student Experience, Teaching and Quality Committee Student Opportunity and Achievement Committee (Chair) Quality Assessment Committee Strategic Development Committee

Higher Education Funding Council For Wales

Name	Personal history	Term of office	Committee membership
Mr David Mason	Former Principal/Chief Executive, Coleg Gwent	First term: 01/04/10 to 31/03/13 Second term: 01/04/13 to 31/03/16 Third term: 01/04/16 to 31/03/17	Audit and Risk Assurance Committee (Chair)
Dr Arun Midha	Former Lay Council Member, Swansea University and Director of Strategy, School of Postgraduate Medical and Dental Education, Cardiff University	First term: 07/04/15 to 06/04/18	Student Opportunity and Achievement Committee Audit and Risk Assurance Committee
Professor Katherine (Leni) Oglesby OBE	Former Senior Deputy Vice-Chancellor, University of Teesside	First term: 01/12/08 to 30/11/11 Second term: 01/12/11 to 30/11/14 Third term: 01/12/14 to 30/11/17	Student Experience, Teaching and Quality Committee (Chair) Quality Assessment Committee (Chair) Strategic Development Committee
Professor Mark Smith	Vice-Chancellor, Lancaster University	First term: 01/01/13 to 31/12/15 Second term: 01/01/16 to 31/12/18	Research, Innovation and Engagement Committee
Professor Stephen Tomlinson CBE	Former Vice-Chancellor, University of Wales College of Medicine	First term: 01/01/13 to 31/12/15	Research, Innovation and Engagement Committee
Professor Robin Williams CBE, FRS	Former Vice-Chancellor, Swansea University	First term: 01/08/09 to 31/07/12 Second Term: 01/08/12 to 31/07/15 Third term: 01/08/15 to 31/07/18	Research, Innovation and Engagement Committee (Chair) Strategic Development Committee

Name	Personal history	Term of office	Committee membership
Mr Ewart Wooldridge CBE	Former Chief Executive, Leadership Foundation for Higher Education	First term: 01/01/13 to 31/12/15	Human Resources Committee (Chair until 31/12/15) Remuneration Committee Audit and Risk Assurance Committee
Dr Colin Wyatt	Independent consultant and Former Director of Business Development, Imperial College London	First term: 22/04/15 to 21/04/18	Human Resources Committee (Chair from 01/01/16) Remuneration Committee Research, Innovation and Engagement Committee

The Chair of Council chairs the Appointments Committee (whose membership includes the Chairs of each of the other committees listed above) and the Remuneration Committee. He is also a member of the Strategic Development Committee.

The Chief Executive was a member of the Strategic Development Committee.

In July 2015 the Student Experience, Teaching and Quality Committee was replaced by the Quality Assessment Committee and the Student Opportunity and Achievement Committee.

Observers appointed by the Welsh Government

Mr Huw Morris,
Director, Skills, Higher Education and Lifelong Learning, Welsh Government

Mr Neil Surman
Deputy Director, Higher Education Division, Welsh Government

Composition of Management Board

The HEFCW Management Board is responsible for our management and operation.

It consists of the Chief Executive, the Director of Strategic Development, the Director of Institutional Engagement and the Head of Corporate Services.

Declarations of interests

Details of Council members' declared interests are available on our website
http://www.hefcw.ac.uk/council_and_committees/council_members/council_members.aspx

Personal data related incidents

There have been no reported personal data related incidents during the year.

Statement of Accounting Officer's Responsibilities

Under paragraph 16(2) of schedule 1 to the Further and Higher Education Act 1992, Welsh Ministers with the consent of the Treasury, have directed HEFCW to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HEFCW and of our income and expenditure, recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by Welsh Ministers, 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; and
- prepare the accounts on the going concern basis.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer of HEFCW. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding HEFCW's assets, are set out in the Accounting Officers' Memorandum published by the Welsh Government.

Accounting Officer's statement

So far as I, as the Accounting Officer, am aware, there is no relevant audit information of which our auditors are unaware; and I, as the Accounting Officer, have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that our auditors are aware of that information. I also confirm that the annual report and accounts as a whole, is fair, balanced and understandable; and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Dr David Blaney
Chief Executive and Accounting Officer
14 July 2016

Governance Statement

Scope of responsibility

As Accounting Officer of HEFCW, I am accountable to the Permanent Secretary of the Welsh Government as its Principal Accounting Officer for the discharge of my responsibility to maintain sound systems of governance, risk management and internal control. These systems support the achievement of our policies and strategic objectives, while safeguarding the public funds and HEFCW assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Welsh Government guidance *Managing Welsh Public Money*. I am responsible for ensuring that the public funds and assets assigned to HEFCW are used economically, efficiently and effectively. I also acknowledge my responsibilities in respect of the funds provided to HEFCW which are allocated to higher and further education institutions and others for education, research and associated purposes.

Developments in-year

Since the beginning of FY 2015-16, the element of our grant funding previously associated with tuition fee grant payments for Welsh domiciled students has been managed directly by the Welsh Government. Consequently, our budget for 2015-16 was reduced by 65%, corresponding to the amount which the Welsh Government estimated would be needed to meet tuition fee grant commitments for the coming year.

Our remaining grant to higher and further education institutions in Wales continues to be focused strategically to address both Welsh Government and our Council's priorities and takes account of the Minister's expectations as set out in the annual remit letter to HEFCW. Higher Education grant funding is allocated to Higher Education providers on an Academic Year basis being the 12 months ending 31 July. The Academic Year is coterminous with the financial year for higher and further education institutions. Our annual grant funding allocations circular provides the detail of the provision that we fund and the basis for distribution of that funding between providers. The circular for AY 2015/16 is published and available on our website⁶.

The reduction in funding for HEFCW to distribute is significantly affecting our policy leverage, and thus it is more difficult to find ways of ensuring delivery on key priority areas. The key mechanism which we currently have in place for doing so is our designated responsibility for approving Welsh institutions' fee and access plans. These plans currently set out their commitment to invest a reasonable proportion of their tuition fee income above the basic fee rate of £4,000 on measures to improve equality of opportunity and promote higher education. However, the Welsh Government has recognised that the policy shift away from our institutional grants to a system where a significant proportion of institutional income is derived from student tuition fees requires new legislation and a revised regulatory system for higher education in Wales. It therefore introduced a new Higher Education (Wales) Act which became law on 12 March 2015, more details on the introduction of which are provided near the end of this Governance Statement.

⁶ Circular W16/16HE, *HEFCW's Funding Allocations 2016/17*
(www.hefcw.ac.uk/publications/circulars/circulars.aspx)

Governance Framework

We are responsible for administering resources for higher education provided by the Welsh Government. We work with the Welsh Government to inform higher education policy in Wales, and we work with higher education providers to enable them to meet those policy priorities. We regulate fee levels at higher education providers, ensure a framework is in place for assessing the quality of higher education and scrutinise the financial, governance and risk performance of universities.

Our Council is appointed by the Minister for Education and Skills in accordance with the requirements of the Further and Higher Education Act 1992. As Accounting Officer and Chief Executive, I am a member of the Council. In May 2014 the Welsh Government appointed a new Chair of Council. During the year the Council reached its full complement of 12 members, the gender balance of which, was nine male (including the Chair) and three female Council members. In December 2015 two male Council members reached the end of their terms on the Council and were not re-appointed by the Minister, so that at the end of 2015-16 the Council comprised 10 members.

The Council met on six occasions during financial year 2015-16. Out of a possible 68 member attendances during the year a total of 67 were made.

Meetings of the Council are attended by two observers from the Welsh Government, the Higher Education Funding Council for England (HEFCE) and the Scottish Funding Council (SFC). The President of the National Union of Students (Wales) also attends as an observer. Likewise, we have observer status on the Board meetings of both HEFCE and the SFC. The Council is supported by Audit and Risk Assurance; Quality Assessment; Human Resources; Remuneration; and Appointments Committees, and by three strategic advisory committees (Student Opportunity and Achievement; Research, Innovation and Engagement; and Strategic Development) covering areas of higher education policy which are important to our remit and statutory responsibilities. The background and declaration of interests of Council members, and the structure and membership of committees, along with other corporate governance information, are published on our website. The Council is also supported by a UK-wide advisory committee: the UK Healthcare Education Advisory Committee.

We have a Complaints Policy based on the model Concern and Complaints Policy produced by the Public Services Ombudsman for Wales. No complaints against us were received during 2015-16.

We carry out an annual self-assessment effectiveness review of our governance. This comprises an appraisal of the Council - including members' performance - by the Chair through discussions with members and a comparison of our governance arrangements with the Financial Reporting Council's Corporate Governance Code. We also conduct annual reviews of our key corporate governance documents, and review the remits of all Council's committees. In 2015-16 the Council conducted a detailed self-assessment review exercise based around questionnaires completed by each member, and discussed the outcomes at one of the Council's Workshops. The Council concluded that, overall, it was content with the effectiveness and appropriateness of its governance processes and practices, including with respect to the quality of information and data provided through Council and committee papers. The Council agreed there was more to be done to try and reduce the volume of paperwork, and also that to improve expediency it would explore

options for moving to full electronic distribution of Council papers. We are of the view that our processes continue to be compliant with the Corporate Governance Code to the extent relevant to a Welsh Government Sponsored Body. Since a review in 2013 of new ways of working, we have continued during 2015-16 to seek ways of making better use of Council and committee time, including through a more strategic focus for business.

We discharge our legal responsibility to ensure that arrangements are made to assess the quality of education in funded institutions through our Quality Assessment Committee. Quality assessments are carried out primarily by the Quality Assurance Agency (QAA), which provides an annual academic year report on the outcomes of reviews which are considered by the Quality Assessment Committee and the Council. The report for AY 2014/15 can be found on our website. During FY 2015-16 QAA conducted Institutional Reviews of: University of South Wales; University of Wales Trinity Saint David; Grŵp Llandrillo Menai; and Neath Port Talbot College Group. The QAA review reports include recommendations and features of good practice, and are available on the QAA website.

In September 2014 our Council was informed that HEFCE would be publicly tendering for the future contract to assess the quality of higher education in England. Our Council endorsed the desirability of remaining part of a UK-wide approach to quality assessment and therefore agreed that we would participate in the procurement exercise. The review process got underway in 2014-15, and the consultations on revised quality arrangements are expected to conclude in 2015-16. This will then be followed by a piloting of the new arrangements in 2016/17, followed by full implementation in Wales from academic year 2018/19.

We conducted an Annual Compliance Review against the requirements placed upon us in the *Framework Document*, which showed us to be fully compliant.

The Audit and Risk Assurance Committee has five members, two of whom (including the Chair) are members of our Council. The Committee meets three times a year and meetings are attended by the Chief Executive; the Head of Internal Audit; representatives from the external auditors (the Wales Audit Office); and relevant members of our staff. The minutes of the Committee are presented to our Council, and the Chair of the Committee reports any matters of particular note to Council. The remit of the Committee includes both HEFCW and our assurance work with the HE sector. The Committee provides our Council with an annual report, which incorporates the Committee's opinion on governance, internal control and risk management. The Committee reviewed the actions it had agreed last year as part of its effectiveness review self-assessment exercise, through which it had benchmarked the Committee's operation against the National Audit Office checklist for audit committees, based on the HM Treasury Audit Committee Handbook. The Committee also reflected on the competencies of its membership compared against best practice identified in the HM Treasury Handbook. The Committee concluded that its membership covered the full range of competencies – skills, knowledge and experience – identified as desirable for all audit committees. The Committee concluded that this continued to be the case following some changes to its membership which took place during the year. The Committee also undertook the annual review of its remit and agreed some minor changes, which were subsequently agreed by the Council. The Committee continued to be satisfied that overall it was operating in line with accepted best practice for audit committees.

The Audit and Risk Assurance Committee's opinion for 2015-16 highlighted no major issues, except to note some concerns relating to institutional financial sustainability.

Higher Education Funding Council For Wales

The Head of Internal Audit has provided the following opinions to the Chief Executive and the Council:

- Sufficient internal audit work has been undertaken to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's governance, risk management and internal control processes.
- Governance, risk management and internal controls arrangements for HEFCW have been adequate and effective during the year and the Council and Accounting Officer can therefore place reasonable reliance on them.

We work with the higher education sector and in partnership with many other organisations to help us deliver our objectives. These partners include the QAA, Jisc, the Equality Challenge Unit, the Leadership Foundation for Higher Education, and the Higher Education Academy. These partner organisations provide us with useful sources of advice and information that enable us to benchmark Welsh performance and activities against the rest of the UK, and the arrangements have the benefit of economies of scale since the organisations have UK-wide remits. HEFCE, as the major UK HE funder, traditionally undertakes lead oversight of these bodies, and where appropriate there are supplemental agreements in place between HEFCW and the body to provide for any specific Welsh requirements. We monitor the deliverables from these organisations at a Wales level. HEFCE also has responsibility for oversight of the Open University as an institution, although we work directly with the Open University in Wales on the provision it delivers in Wales. We also provide funding for the Coleg Cymraeg Cenedlaethol to support the development of Welsh medium higher education provision and the take-up of Welsh medium opportunities by students, including via the Coleg's scholarship schemes, academic staffing scheme and strategic development projects. We have a memorandum of understanding with the Charity Commission which sets out how we will work together and share information to co-ordinate our regulatory activities with respect to higher education institutions in Wales.

We have regular interaction with the Welsh Government's Department for Education and Skills, under the terms of the Framework Document between the Department and HEFCW. Staff from the Department and HEFCW meet quarterly which enables the Department to monitor progress against our operational plan and key performance indicators, and to monitor our risk register and the actions we are taking to mitigate risk. We received our remit letter for 2015-16 in March 2015, and our Operational Plan 2015-16 was submitted to the Welsh Government for approval in July 2015. We were notified in September 2015 that the Education Minister had noted the Plan and was content with the revised format that we had introduced in response to a request from our sponsor division. Our Council receives regular reports on progress against our operational plan targets, and an annual report on progress against our corporate strategy targets.

The Minister for Education and Skills has a quarterly meeting with the Chair and Chief Executive, which enables the Minister to monitor our delivery against our strategic objectives and provides an opportunity for us to advise the Minister.

Effectiveness of the internal control system

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. I am supported in this process by advice from the Audit and Risk Assurance Committee and by other members of my senior management team. My review

is also informed by the work of the internal auditor and our managers who have responsibility for the development and maintenance of the internal control framework, and by comments from the external auditors in their management letters.

Our system of internal control provides an assurance framework for managing risks associated with our internal operational and financial controls, and our controls in relation to organisations in receipt of our funding. For this reason, Welsh higher education institutions funded by us are required to comply with a Memorandum of Assurance and Accountability, which helps us to secure accountability for the regularity and propriety of the use of public funds provided to them. We consider a comprehensive range of returns provided to us by institutions - including their annual accounts, fee plans, and strategic plans - as part of our work to ensure the protection of the public investment in institutions. This work includes seeking assurance that the public funds provided to institutions have been used for the purposes for which they were intended.

Each of the key annual controls – the risk registers, the financial statements and the external auditors' report and comments thereon, internal audit reports and institutional risk reviews and assurance reports – has been considered by the Audit and Risk Assurance Committee which reports on to our Council. Our control systems have identified a small number of minor issues that required specific action to manage the associated risks. There were no significant weaknesses in our internal controls in 2015-16 which warrant disclosure here.

Approach to risk management

We operate a system of internal control which is designed to: identify and prioritise the risks to the achievement of our policies and strategic objectives; evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them effectively. Our risk management processes are overseen by the Audit and Risk Assurance Committee on behalf of our Council.

Each team manages a risk register which is reviewed three times a year. I manage a risk register which sits alongside the operational plan, thereby providing scrutiny of our operational performance against which our risk analysis can be judged. If the combined score for probability and impact is above the tolerance boundary agreed by the Audit and Risk Assurance Committee, the risk goes on to the Corporate Risk Register. The Corporate Risk Register is reviewed by the Audit and Risk Assurance Committee three times a year, with the results being considered by our Council.

Alongside the main risk registers, each team produces a fraud and bribery risk register. Those risks above the tolerance boundary are included in a Corporate Fraud and Bribery Risk Register.

The Audit and Risk Assurance Committee and Council receive regular reports on our institutional risk review system, the process by which we assess and monitor the overall risk profile of each HE institution.

During the year we agreed in discussion with the Audit and Risk Assurance Committee a number of high level principles to inform a review of our current approach to risk management. This will be taken forward next year in discussion with the Council.

Tax assurance for off-payroll employees

There have been no payments to off-payroll employees during this year or in the previous year.

Whistleblowing arrangements

HEFCW has its own whistleblowing policy and supporting procedures in place for use by staff. The aim of the policy is to encourage staff to report matters of proper concern considered by them to be in the public interest, either at the workplace or externally, about a danger, risk, malpractice or wrongdoing. When such matters are brought forward by staff it must be without fear of reprisal or victimisation, while protecting staff and HEFCW from unfounded and malicious allegations. This policy and its supporting procedures are available to staff via the intranet and our website. There have been no whistleblowing matters reported during the year and so it is not possible to report upon the effectiveness of these procedures. Our policy and procedures are next due for formal review in late 2017, unless there are any matters reported before then which prompt changes to be made to improve the processes used.

Significant risks considered by Council during the year

Significant budget reductions

Since the introduction of the new fee regime in AY 2012/13 the funding available to us to allocate to Higher Education providers has reduced significantly. Between Academic Year (AY) 2011/12 and AY 2015/16, HEFCW funding to HE providers in Wales has reduced by £216m to £151m, a reduction of approximately 60%, on account of the increasing cost of the Welsh Government fee grant for students over that period.

As a consequence, the Council has had to make difficult decisions with funding reductions having to be implemented in areas of strategic priority including innovation, part time provision and strategic funding. The remaining HEFCW recurrent funding is allocated mainly to the priority areas of research, part-time provision and expensive subjects (medicine, dentistry and performing arts).

There is a risk that continuing reductions in funding available for investment in Higher Education provision in Wales will have a detrimental impact on the capacity of Welsh Higher Education providers to continue to compete successfully with other UK providers and global competitors in attracting students, staff and securing research grants and contracts. The impact of the funding changes affects higher education providers differentially and consequently the impact on the longer term financial sustainability of some providers will be more significant than others.

Welsh Government reviews of higher education funding and of governance arrangements for post-compulsory education in Wales (Diamond and Hazelkorn Reviews)

During the year, the review commissioned by the Welsh Government and chaired by Professor Sir Ian Diamond to explore issues of the funding of higher education has continued to make progress. The outcome of that review, and the government response to its recommendations, will inevitably have a significant impact on the future funding available for Higher Education providers in Wales and on our future operations. We have

continued to work with the review secretariat, providing information as requested, and I have sat as an official observer to the review panel. In parallel, the Welsh Government commissioned Professor Ellen Hazelkorn to undertake a review of the governance arrangements for post-compulsory education in Wales, with particular reference to the role of HEFCW. Again, the government response to Professor Hazelkorn's report could have major implications for HEFCW in the future, including, potentially, its closure. We have responded to this process by engaging positively with Professor Hazelkorn, and with a range of other stakeholders, to offer suggestions for future arrangements. The report has been published but we await the Welsh government's response.

One of the key risks for HEFCW as an organisation lies in ensuring that we maintain a good working relationship with the Welsh government and, in particular, its sponsor division. We work hard to seek to minimise misunderstandings and resultant frustrations arising and will continue in these efforts.

Higher Education (Wales) Act 2015

We are now in the transitional period in the implementation of the HE (Wales) Act 2015, which commenced formally on 1 September 2015. A key corporate risk relating to HEFCW being unable to implement the Act effectively is being ameliorated through the establishment of an internal Project Implementation Group, including the establishment of four workstreams (fee planning; quality assessment; financial management code and statement of intervention); close liaison with Welsh Government centrally and through the workstreams; close monitoring of implementation timetables and risks. In addition, workshops were held with Welsh Government and papers (including minutes and timetables) were exchanged with the WG project Group. We prepared clear timetables for implementation and gained legal advice as required. Nevertheless, work has been extensive in developing arrangements to address the requirements of the Act and working out how it could be implemented. This has included the consultation and development of a Transitional Statement of Intervention⁷ covering how HEFCW would use its new powers during the period to full implementation of the Act in September 2017; work with other funders on the development of quality assessment arrangements; developing fee and access plan guidance for 2017/18; and development of a draft Financial Management Code. Work in all these areas will continue in 2016-17. All existing institutions with a fee and access plan approved by HEFCW (all current universities and directly-funded FEIs) are now 'regulated institutions' under the terms of the Act.

Developments in England and their potential impact on Welsh higher education

In November 2015 the Westminster Government published the higher education Green Paper 'Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice'.⁸ The paper set out various proposals which, despite being focussed on higher education in England, would impact across the UK. For that reason, HEFCW chose to respond to the consultation on the Green Paper.⁹ Particular areas of concern included the proposed establishment by the Department for Business, Innovation and Skills of a Teaching Excellence Framework in England. The funding councils have long experience of working collectively to achieve shared objectives at UK level. Officers are working with WG officials

⁷ www.hefcw.ac.uk/working_with_he_providers/he_wales_act_2015/statement_of_intervention.aspx

⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/474266/BIS-15-623-fulfilling-our-potential-teaching-excellence-social-mobility-and-student-choice-accessible.pdf

⁹ www.hefcw.ac.uk/documents/publications/hefcw_responses_to_consultations/HEFCW%20response%20to%20BIS%20Green%20Paper%2015jan16.pdf

and others to ameliorate the impact of this type of development being taken forward by BIS, at a stage removed from a Welsh Government Sponsored Body and we look forward to working with HEFCE in taking the TEF implementation arrangements forward. Other issues to be monitored include proposals to move research funding in England into an overarching body to cover both HEFCE quality research (QR) funding for England and the UK Research Councils, and proposals for the further deregulation of the higher education market in England, including for profit providers.

Conclusion

I have reviewed the evidence provided with regard to the production of the annual governance statement. The conclusion of my review is that our overall governance and internal control structures have been appropriate for our business, and have worked satisfactorily throughout 2015-16.

Dr David Blaney
Chief Executive and Accounting Officer
14 July 2016

Remuneration and staff report

Directors' remuneration policy and remuneration committee

The remuneration of the Chair and the Council Members is set by the Welsh Government. The remuneration of the Chair and Council members is governed by the Welsh Government's Scheme for Remunerating Chairs and Members of WGSBs and NHS Bodies introduced on 1 April 2004.

The Chief Executive's remuneration is approved by the Welsh Government and is not subject to performance-related awards.

The directors' remuneration is set in accordance with our approved pay and grading system, which applies to all staff appointments. Our overall levels of remuneration and our annual pay remit, which apply to all staff including the directors, are approved by the Welsh Government.

We have a Remuneration Committee which is responsible for reviewing annually the performance of the Chief Executive and the directors. The committee, consisting at any time of at least two members, both of whom are Council members, has delegated authority from the Council to consider matters affecting the pay of the Chief Executive and can make recommendations for the approval of the Welsh Government.

There was no change in the salary of the Chief Executive during the year. The Committee met during the year and based upon a review of his performance, made recommendations that the Chief Executive should receive the same annual increases as those to be awarded to HEFCW staff for both 2013-14 and 2014-15. Pay proposals for staff were still awaiting the approval of the Welsh Government as at 31 March 2016 and therefore any awards payable to the Chief Executive were also yet to be determined at the year-end. The Committee's assessment of the performance of the Chief Executive in 2014-15 will form the basis of a possible pay award for 2015-16. This assessment will take place at the Committee's meeting in May 2016.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of Council members and senior management.

Senior employees' remuneration (salary and pensions)*

Single total figure of remuneration *

Name and position	2015-16 Salary	2014-15 Salary	2015-16 Pension benefits	2014-15 Pension benefits	2015-16 Total	2014-15 Total
	£'000	£'000	£	£	£'000	£'000
David Allen (Chair) appointed 5 May 2014	20-25	20-25	-	N/A	20-25	20-25
Roger Thomas (Chair) retired 4 May 2014	-	0-5	N/A	N/A	-	0-5
Dr David Blaney (Chief Executive)	115-120	115-120	45,023	16,607	165-170	135-140
Celia Hunt (Director of Strategic Development)	75-80	75-80	30,404	43,511	105-110	120-125
Bethan Owen (Director of Institutional Engagement)	75-80	75-80	32,628	39,151	110-115	115-120

NB There were no benefits in kind or bonus payments in either 2015-16 or in 2014-15 for the above.

The total salary for David Allen for the year 2014-15 was £21,963 (for the period 5 May 2014 to 31 March 2015). Mr Allen was remunerated as a Council member up until he became Chair on 5 May 2014, at £5,076 per year. The total salary for Roger Thomas for the year 2014-15 was £2,209. Mr Thomas waived his right to his salary and elected for payment to be made to a registered charity. The equivalent full year's salary in 2014-15 for both David Allen and Roger Thomas was £24,264.

The 'Pension benefits' figures above, are calculated for disclosure purposes, by our pension administrators. These figures are calculated as the 'real increase in pension' (see 'Senior employees' pensions' table below) multiplied by 20, plus the 'real increase' in any lump sum, less contributions made by the employee in the financial year.

Senior employees' pensions*

Name	Position	Accrued pension at pension age at 31/03/16 & related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/16	CETV at 31/03/15	Real increase in CETV
		£'000	£'000	£'000	£'000	£'000
David Allen	Chair	N/A	N/A	N/A	N/A	N/A
Dr David Blaney	Chief Executive	55-60 pension	2.5-5.0 pension	952	838	35
Celia Hunt	Director of Strategic Development	20-25 pension plus 60-65 lump sum	0-2.5 pension plus 2.5-5.0 lump sum	456	396	29
Bethan Owen	Director of Institutional Engagement	15-20 pension	0-2.5 pension	298	240	23

Salary and pension disclosures*

Dr David Blaney and Bethan Owen were both members of the Premium defined benefit scheme during the year, whereas Celia Hunt was a member of the Classic defined benefit scheme, both schemes being part of the Principal Civil Service Pension Scheme. The Classic scheme benefits include the payment of an automatic lump sum on retirement, whereas the Premium scheme does not (see 'Pensions' below).

Dr David Blaney, the Chief Executive, has a permanent contract which stipulates a three-month notice period. Other than the possibility of payment in lieu of notice, there are no explicit contractual provisions for compensation for early termination.

Directors also have permanent contracts, requiring a notice period of three months and the same terms as the Chief Executive in respect of contract termination.

The Chair and Council members (excluding the Chief Executive) are not members of the Principal Civil Service Pension Scheme and do not receive any pension benefits paid for by us. Council members (excluding the Chair and Chief Executive) receive non-pensionable remuneration of £5,076 per annum (see pages 26 to 28 for a full list of other Council Members).

All salaries/remuneration stated are gross salaries/remuneration only, as none of the Council members or senior staff received any other remuneration or benefits in kind, other than as disclosed below.

* This information is subject to audit

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 ten years of their normal pension age on 1 April, 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and thirteen years and five 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. 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 3% and 8.05% of pensionable earnings for classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of 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 their 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 3% and 12.5% up to 30 September 2015 and between 8% and 14.75% from 1 October 2015 (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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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.

Further details about the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.uk

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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 pension 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 calculated 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.

Broadly by analogy (BBA) pensions

A BBA pension arrangement entitles the recipient to benefits that are similar to those provided by the PCSPS classic scheme described above, and obliges both us and the member concerned, to make contributions in line with the PCSPS. We are responsible for funding future pension benefits and retaining pension contributions. A BBA pension is held by the former Chair of Council, Professor Sir Roger Williams.

Fair Pay disclosures *

	2015-16 £'000	2014-15 £'000
Band of highest paid member of staff (total remuneration**)	115-120	115-120
	£	£
Median total remuneration**	40,411	38,487
Ratio	3.0	3.1

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid senior employee in their organisation and the median remuneration of the organisation's staff.

The banded remuneration of our most highly paid senior employee in 2015-16 was £115,000 to £120,000 (2014-15: £115,000 to £120,000). This was 3.0 times (2014-15: 3.1) the median salary of all staff, which was £40,411 (2014-15: £38,487).

**For the purposes of calculating the 'highest paid member of staff' and the 'median total remuneration' above, 'total remuneration' only consists of salary costs. It does not include employer pension contributions or the annual 'pension benefits', shown above.

The median ratio has decreased marginally from 3.1 in the previous year to 3.0 due to the impact of a number staff salary increases, but without any change in the highest paid salary. Due to the nature of our work, we have a high proportion of staff at middle job levels, resulting in the median shown above

In 2015-16, no employees (2014-15: none) received remuneration in excess of the highest-paid senior employee. Remuneration ranged from £16,610 to £120,000 (2014-15: £16,610 to £120,000).

Staff report

Staff numbers by category

We employed an average of 43 full time equivalent staff during the financial year ended 31 March 2016, as follows:

	2016 Numbers	2015 Numbers
Senior Management	3	3
Chief Executive's Office	7	7
Institutional Engagement	13	13
Strategic Development	10	11
Corporate Services	10	10
	<u>43</u>	<u>44</u>

One member of staff included in Institutional Engagement above was not a permanent member of staff.

	2016 Numbers	2015 Numbers
Staff with a permanent UK employment contract with us	42	41
Other staff engaged on our objectives	<u>1</u>	<u>3</u>
	<u>43</u>	<u>44</u>

Staff costs**(a) Analysis ***

	Staff	2016 Council members (inc Chief Executive)	Total	Staff	2015 Council members (inc Chief Executive)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	1,783	192	1,975	1,722	185	1,907
Social security costs	156	20	176	145	17	162
Other pension costs	381	29	410	336	34	370
Total payroll costs	2,320	241	2,561	2,203	236	2,439
Staff on secondment	(17)	-	(17)	(49)	-	(49)
Less: charges to programme costs	(447)	-	(447)	(474)	-	(474)
Administration payroll costs	1,856	241	2,097	1,680	236	1,916

Included in the £447k (2014-15 - £474k) charged to programme costs in 2015-16 is a sum of £250k (2014-15 - £250k). This is a contribution towards running costs wages and salaries transferred from the programme budget in accordance with an agreement with the Welsh Government.

(b) Pensions

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 we are unable to identify our share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2015-16, our employer’s contributions of £380,106 were payable to the PCSPS (2014-15 - £359,062), including CSOPS (alpha) contributions, at one of four rates in the range 20.0% to 24.5% 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 2015-16, to be paid when the member retires and not the benefits paid during this period to existing pensioners.

A former Chair of Council receives pension benefits broadly by analogy (BBA) with the PCSPS

Higher Education Funding Council For Wales

The BBA pension provision is unfunded, with benefits being paid as they fall due and guaranteed by us. There is no fund and therefore no surplus or deficit or assets. The scheme liabilities for service are calculated by the Government Actuary's Department every two years and was performed at the end of 2014-15 and amounted to £25,000 at 31 March 2015.

(c) Staff numbers by gender

	2016	2015
<i>Male</i>		
Directors	1	1
Staff	14	15
<i>Female</i>		
Directors	2	2
Staff		
	<u>29</u>	<u>31</u>
	<u>46</u>	<u>49</u>

NB In the tables above staff employed are reported as full time equivalent numbers, however the gender breakdown is reported as actual numbers.

(d) Sickness absence

	2016	2015
Sickness absence rate (%)	2.84	1.31
Number of working days lost	342	161
Approximate cost of working days lost	<u>£46,690</u>	<u>£21,929</u>

The approximate cost of working days lost is based upon the salary at level 4 (step 4), a middle management staff level (including overhead costs).

We monitor sickness absence. At 2.84% of potential working time lost for 2015-16 (2014-15 – 1.31%), although higher than the previous year, this remains low compared to most other organisations in the public sector (average working time lost per CIPD Absence Management Annual Survey Report 2014 – Public Services 4.1%; Education 4.4%; Central Government 4.0%; Local Government 3.5%; Other Public Services 3.5%; Public sector workforce size 1-49, 4.2%; and UK (across all sectors) 3.7%).

* This information is subject to audit

Staff policies and other issues

We have introduced and/or reviewed a number of policies and procedures this year:

- Annual leave
- Paternity leave
- Career break scheme
- Shared parental leave

Each policy is subject to a full staff consultation for comment and its impact assessed in line with equalities, the Welsh language and sustainability. These policies are then reviewed by our Works Council (see below) and presented to the HR Committee for approval before being implemented.

Employee involvement

Regular staff meetings and seminars help ensure good internal communications and provide opportunities for staff to contribute to the way we work. A Works Council, through which representatives can raise issues of concern to staff and which includes representation from the PCS union, meets on a regular basis.

In 2000, we achieved the Investors in People award. This award is re-assessed every three years and we obtained re-accreditation in June 2015.

Equality and disability

We are committed to developing our equality and diversity policies to ensure that all employees are treated fairly, irrespective of any protected characteristic as defined by the Equality Act.

Our policy on recruitment is based on the Civil Service Recruitment Principles of appointments being made on merit on the basis of fair and open competition.

We have achieved the 'Two Ticks' disability symbol and we are resolved to meeting the five commitments regarding recruitment, training, retention, consultation and disability awareness. This was re-assessed in April 2015.

In line with the disability symbol, all applications by disabled persons are given full and fair consideration and our recruitment policy guarantees each disabled person who meets the minimum role requirements, an interview. This would also apply to any disabled employee who applied internally for a promotion.

Reasonable adjustments are also made, where possible, following discussions between an employee in post, who has declared a disability, their line manager and HR, or an employee returning to work following an absence that may have an impact on their ability to meet their job responsibilities.

Community and human rights matters

We have continued, as part of our special leave policy, to give the option of members of staff taking up to two days' paid leave per year to volunteer to support local charities or community groups. We have reinforced our links with local communities through our membership of SEWEN (South East Wales Equality Network).

We embody the principles of Human Rights in our Equality and Diversity practices and our policy on Dignity at Work aims to ensure that all employees' rights are respected.

Other staff-related issues

We conduct biennial Staff Attitude Surveys which support staff engagement. The survey is based upon the Civil Service People Survey and actions arising from this survey and other evaluations such as Investors in People, are included in our organisational action plan which is accessible to all staff on our intranet.

Employees have access to an Employee Assistance Programme which provides access to advice and counselling 24 hours a day, 365 days a year. The resource is available on both our website and as a mobile application and promotes fitness, a healthy lifestyle and provides mental health support.

Consultancy expenditure

There was no consultancy expenditure during the year.

Off-payroll engagements

There have been no payments to off-payroll employees during the year.

Exit Packages

There were no exit packages in 2015-16 (2014-15 – nil).

Dr David Blaney
Chief Executive and Accounting Officer
14 July 2016

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Higher Education Funding Council for Wales for the year ended 31 March 2016 under Paragraph 16(3) of Schedule 1 to the Further and Higher Education Act 1992. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the financial statements, in accordance with the Further and Higher Education Act 1992 and Welsh Ministers' directions made there-under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Higher Education Funding Council for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Higher Education Funding Council for Wales; and the overall presentation of the financial statements.

In addition, I obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the Annual Report with the financial statements 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 certificate and report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of the Higher Education Funding Council for Wales' affairs as at 31 March 2016 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Further and Higher Education Act 1992.

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 National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Further and Higher Education Act 1992; and
- the information in the Annual Report is consistent with the financial statements

Matters on which I report by exception

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

- the Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration and Staff Report 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 of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

**Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ**

19 July 2016

Statement of comprehensive net expenditure

for the year ended 31 March 2016

		2016		Restated 2015	
	Notes	£'000	£'000	£'000	£'000
Expenditure					
<i>Funding of higher education:</i>					
Recurrent expenditure	3	126,043		349,143	
Other purposes	5	<u>7,932</u>		<u>24,058</u>	
		<u>133,975</u>		<u>373,201</u>	
<i>Council expenditure:</i>					
Staff costs		2,097		1,916	
Depreciation	8	83		90	
Other expenditures	6	<u>572</u>		<u>574</u>	
		<u>2,752</u>		<u>2,580</u>	
Total expenditure			(136,727)		(375,781)
Income					
Income from activities	2		8,046		20,519
Net operating costs			<u>(128,681)</u>		<u>(355,262)</u>
Interest payable			<u>(1)</u>		<u>-</u>
Net operating costs after interest transferred to taxpayers' equity			<u>(128,682)</u>		<u>(355,262)</u>

All activities are continuing.

There are no recognised gains or losses in either 2015-16 or 2014-15.

The notes on pages 57 to 71 form part of these accounts.

Details of staff costs are shown on page 46 as part of the Remuneration and Staff Report.

The 2014-15 figures have been restated as per note 7 to these accounts.

Statement of financial position

as at 31 March 2016

	Notes	As at 31 March 2016 £'000	Restated As at 31 March 2015 £'000
Non-current assets			
Property, plant and equipment	8	85	132
Repayable grants falling due after one year	9a	<u>6,750</u>	<u>4,750</u>
Total non-current assets		<u>6,835</u>	<u>4,882</u>
Current assets			
Repayable grants falling due within one year	9a	-	-
Trade and other receivables	9b	6,375	9,437
Cash and cash equivalents	10	<u>1,599</u>	<u>4,121</u>
Total current assets		<u>7,974</u>	<u>13,558</u>
Total assets		14,809	18,440
Current liabilities			
Trade and other payables	11	(298)	(992)
Provisions for liabilities and charges within one year	12	<u>(1)</u>	<u>(1)</u>
Total non-current assets plus net current assets		14,510	17,447
Non-current liabilities			
Provisions for liabilities and charges after one year	12	(22)	(24)
Assets less liabilities		<u>14,488</u>	<u>17,423</u>
Taxpayers' equity			
General reserve		<u>14,488</u>	<u>17,423</u>
		<u>14,488</u>	<u>17,423</u>

The notes on pages 57 to 71 form part of these accounts.
The 2015 figures have been restated as per note 7 to these accounts.

Signed on behalf of HEFCW

Dr David Blaney
Chief Executive and Accounting Officer
14 July 2016

Statement of cash flows

for the year ended 31 March 2016

	Notes	2016	Restated 2015
		£'000	£'000
Cash flows from operating activities			
Net operating costs before interest		(128,681)	(355,262)
Depreciation charges		83	90
Decrease/(increase) in trade and other receivables due within one year		3,062	(4,849)
Increase in repayable grants due after one year		(2,000)	(1,000)
Decrease in trade and other payables		(694)	(270)
Movement in provision for liabilities and charges due within one year		-	-
Movement in provisions		(2)	4
Net cash outflows from operating activities		<u>(128,232)</u>	<u>(361,287)</u>
Cash flows from returns on investments and servicing of finance			
Interest received		-	-
Interest paid		(1)	-
Net cash flows from returns on investments and servicing of finance		<u>(1)</u>	<u>-</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(36)	(100)
Net cash outflow from investing activities		<u>(36)</u>	<u>(100)</u>
Cash flows from financing activities			
Funding from the Welsh Government		125,747	362,518
Net cash flows from financing activities		<u>125,747</u>	<u>362,518</u>
Net (decrease)/increase in cash and cash equivalents		<u>(2,522)</u>	<u>1,131</u>
Cash and cash equivalents at beginning of period		4,121	2,990
Cash and cash equivalents at end of period	10	1,599	4,121
Net (decrease)/increase in cash		<u>(2,522)</u>	<u>1,131</u>

The notes on pages 57 to 71 form part of these accounts.

The 2015 figures have been restated as per note 7 to these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	General Reserve £'000
Balance at 1 April 2015	
As previously stated	12,673
Prior periods' adjustments	
Previously unrecognised repayable grants (see note 7):	
2013-14 and earlier	3,750
2014-15	1,000
Balance at 1 April 2015 – restated	<u>17,423</u>
Changes in taxpayers' equity 2015-16	
Net operating costs	(128,682)
Total recognised income and expense for 2015-16	<u>(128,682)</u>
Funding from the Welsh Government	125,747
Balance at 31 March 2016	<u><u>14,488</u></u>

The notes on pages 57 to 71 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

(a) Basis of accounting

These accounts are prepared in accordance with a direction issued by Welsh Ministers, with the consent of the Treasury, in exercise of the powers conferred by paragraph 16(2), schedule 1 to the Further and Higher Education Act 1992.

The accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by H M Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to our particular circumstances for the purpose of giving a true and fair view has been selected. The particular policies adopted by us are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

There are no new accounting standards issued but not yet effective that would have a material effect on these financial statements had they been applied in this reporting period.

(b) Grants for European Union (EU) projects

Income:

We receive grant income relating to EU projects from two sources. Grant income from the Welsh Government in support of European Social Fund projects is credited to the general reserve in the year in which expenditure is incurred. EU income in support of European Social Fund projects is credited to the statement of comprehensive net expenditure in the year in which expenditure is defrayed.

Expenditure:

As the applicant for European projects contracting with third parties for the delivery, our liability arises when a valid claim from the grant recipient is received.

(c) Funding

Grant in aid is received from the Welsh Government to fund general revenue activities. This amount of grant in aid is regarded as financing and is credited to the general reserve on receipt.

(d) Grants payable

These accounts are prepared on a financial year basis to 31 March, but grants payable are issued on an academic year basis to 31 July. Grants payable are recorded as expenditure in the period in which the recipient carries out the activity, which creates an entitlement. Those grants of a recurring nature, mainly the recurrent funding provided to higher education institutions, are brought to account when paid. In our opinion, this treatment achieves in all material respects a match between grant funding brought to account and the pattern of financial activity at the higher education institutions.

Tuition fee support grants were accounted for on a payable or accruals basis. These grants were payable to the Student Loans Company (SLC). The SLC funded the higher education institutions to pay, on behalf of students, the cost of the difference between the tuition fees charged by the higher education institutions and the tuition fee loan available to students.

(e) Repayable grants

Repayable grants are funds provided to institutions on an individual basis to support the initial costs of specific projects, which are normally recovered via an adjustment to their future funding.

(f) Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) arrangements. We recognise the expected cost of providing pensions on a systematic and rational basis over the period during which we benefit from employees' services by payment to the PCSPS arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS arrangements.

A former Chair of HEFCW is covered by a pension scheme which is analogous with the PCSPS. We make payments to the former Chair as they are due. However, the expected cost of providing the pension is recognised through building up provision for the future liability calculated by using actuarially assessed assumptions.

(g) Property, plant and equipment

Property, plant and equipment are carried at fair value. Depreciated historical cost is used as a proxy for fair value for all classes of these assets as all have either short useful lives or low value, or both.

Information technology assets costing more than £500 and any other fixtures, fittings or equipment costing more than £1,000 are capitalised.

Depreciation is provided on all these assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, being a realistic reflection of the consumption of the asset, as shown below. A full year's depreciation is charged in the year of acquisition.

Information technology assets	- 3 years
Electrical equipment	- 5 years
Fixtures and fittings	- 5 years

Any office alterations included within fixtures and fittings are amortised over the remaining period of the lease, from the date of purchase.

(h) Value Added Tax

As we are not registered for VAT, all transactions in the accounts are stated inclusive of any attributable VAT.

(i) Operating leases

Operating lease rentals are charged to the operating cost statement in the year to which they relate.

(j) Financial instruments

Financial assets: Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash comprises cash at bank on instant access terms.

Financial liabilities: Trade payables are not interest-bearing and are stated at their nominal value.

(k) Segmental reporting

The FReM directs public bodies to meet the requirements of IFRS 8 to report information concerning operating segments where the criteria under IFRS 8 are met. We consider our activities contribute to a single mission operating within the same business environment and there are no separable operating segments. As a result, we do not report by operating segments.

(l) Staff costs and secondments

Staff on secondment normally continue to be paid by us. The reimbursement of costs for seconded staff is netted off against staff costs in the note included within the Staff Report on page 46, which forms part of the Accountability Report.

2. **Income from activities**

	2016 £'000	2015 £'000
European Union – European Social Fund	(5)	3,833
Department for Business, Innovation & Skills – Research Capital Investment Fund	7,406	5,708
Y Coleg Cymraeg Cenedlaethol Scholarships	330	330
Welsh Government - ectarc Ltd (a)	-	102
Jobs Growth Wales (b)	14	1,555
UK Research Partnership Investment Fund (c)	-	8,991
UK Joint Academic Network 6 (Janet 6) (d)	98	-
Police Knowledge Fund project (e)	203	-
	<u>8,046</u>	<u>20,519</u>

(a) This funding was in respect of ectarc Ltd providing EU work placements for Welsh graduates. 2014-15 was the final year of funding for this project.

(b) This is funding in respect of a project with the Welsh Government to provide graduates with job opportunities with businesses in Wales.

(c) This is funding from the UK Research Partnership Investment Fund (UK RPIF) for the Energy Safety Research Institute at Swansea University which ceased in 2015.

(d) This is funding to support the costs of providing 'Janet 6' to enable joint academic network (Janet) services to continue to be provided to higher education institutions in Wales. This funding is paid to Jisc.

(e) This is funding for the Open Source Communications, Analytics and Research (OSCAR) Development Centre at Cardiff University.

3. Funding of higher education

	2016	Restated 2015
	£'000	£'000
Higher Education Institutions		
Aberystwyth University	6,842	9,621
Bangor University	7,752	10,243
Cardiff University	43,020	62,060
Swansea University	15,610	20,536
Glyndŵr University	3,151	5,464
Cardiff Metropolitan University	2,262	3,148
University of Wales, Trinity Saint David	5,234	8,039
University of South Wales	19,301	21,020
University of Wales	209	424
Open University	9,768	6,482
Sub-total	<u>113,149</u>	<u>147,037</u>
Student Loans Company Ltd (see (a) below)	<u>-</u>	<u>194,178</u>
Further Education Institutions		
Bridgend College	-	1
Coleg Llandrillo	433	296
Grwp NPTC Group (formerly) Neath Port Talbot College	66	45
Gower College Swansea	37	31
Sub-total	<u>536</u>	<u>373</u>
Total carried forward	<u>113,685</u>	<u>341,588</u>

Higher Education Funding Council For Wales

	2016	Restated 2015
	£'000	£'000
Total brought forward from previous page	113,685	341,588
Other Organisations		
Economic and Social Research Council	-	167
Engineering and Physical Sciences Research Council	-	21
Equality Challenge Unit	76	58
Hardisty Jones Associates Ltd	-	65
Higher Education Funding Council for England (HEFCE)	404	585
HESA Services Ltd	-	44
HESA	31	-
The Higher Education Academy	314	582
High Performance Computing Wales	-	575
JANET (UK) Ltd	2,178	2,310
KPMG LLP	23	-
National Centre for Universities and Business	34	34
National Union of Students	-	41
Miller Research	-	33
Old Bell 3 Ltd	-	52
Parity Solutions Ltd	-	46
Quality Assurance Agency	282	262
The Conversation Trust (UK) Limited	20	-
UCAS	20	21
Universities UK	48	71
Universities Wales (formerly Higher Education Wales)	60	45
Welsh Government	-	245
WJEC CBAC Ltd	-	20
Y Coleg Cymraeg Cenedlaethol	8,384	7,324
Other (see (b) below)	483	503
Sub-total	12,357	13,104
Total	126,042	354,692
Add/(less) ESF funded expenditure (see note 5)	15	(3,993)
Less Jobs Growth Wales expenditure (see note 5)	(14)	(1,556)
Total	126,043	349,143

- (a) The Welsh Government decision to directly fund the Student Loans Company (SLC) with tuition fee support grants from April 2015 means that we no longer have this responsibility from 2015-16. This has resulted in a significant reduction in the level of total funding made available to us by the Welsh Government for the HE sector.

Academic Year 2014/15 was the third year where we paid funding for student tuition fee support grants to the SLC. The SLC then paid higher education institutions in respect of their eligible students. As shown above, payments of £194.2 million were made to the SLC in the previous financial year, 2014-15.

- (b) This includes a contribution of £250k from the programme budget towards running costs wages and salaries as disclosed in the Staff Costs' note on page 46.

4. Grants to institutions

Included in these accounts are grants to higher education institutions, which are subject to the recipients' external auditors' confirmation that they have been used for their intended purpose. The financial year of higher education institutions ends on 31 July and their audited accounts are provided to us by 31 December. A review by us of institutions' 2014/15 financial statements confirmed that each institution's external auditors had considered that grants had been used for their intended purpose and no adjustments to grants were necessary. The audit of student numbers carried out in the summer of 2015 resulted in a clawback of £1,433k. Any adjustment arising from the audit of 2015/16 accounts and student numbers will be made by us in future years.

We confirm that grants we have received from the Welsh Government have been used for their approved purposes.

5. Expenditure for other purposes

	2016 £'000	2015 £'000
European Social Fund (a)	(15)	3,993
Research Capital Investment Fund (b)	7,406	5,708
Y Coleg Cymraeg Cenedlaethol Scholarships	324	320
ectarc Ltd (c)	-	102
Jobs Growth Wales (d)	14	1,556
Improving Environmental Performance through Student Engagement (e)	-	17
UK Research Partnership Investment Fund (f)	-	8,991
Capital contribution towards merger (g)	-	3,371
Police Knowledge Fund Project (h)	203	-
	<u>7,932</u>	<u>24,058</u>

- (a) The European Social Fund (ESF) projects were completed at the end of the financial year. This underpayment relates to expenditure submitted which was subsequently deemed ineligible and disallowed.

An amount of £4k (2015 - £3k) has been paid during the year to the Wales Audit Office for work undertaken on European grant claims.

- (b) An analysis of research capital funding by higher education institution is given below:

	2016 £'000	2015 £'000
Aberystwyth University	1,020	796
Bangor University	836	643
Cardiff University	3,913	3,111
Swansea University	1,637	1,158
	<u>7,406</u>	<u>5,708</u>

- (c) This was funding paid to ectarc Ltd to provide EU work placements for Welsh graduates.
- (d) These are costs in respect of a project to provide graduates with job opportunities with businesses in Wales. This project was completed in May 2015.
- (e) This work was undertaken by the NUS Charitable Services in conjunction with six higher education institutions in Wales.
- (f) This was funding from the UK Research Partnership Investment Fund (UK RPIF) for the Energy Safety Research Institute at Swansea University.
- (g) This was capital funding paid to the University of South Wales (formerly the University of Glamorgan) towards the costs associated with its merger with the University of Wales, Newport on 11 April 2013.
- (h) This is funding for the Open Source Communications, Analytics and Research (OSCAR) Development Centre at Cardiff University.

6. Other expenditures

	2016 £'000	2015 £'000
Administration costs		
Accommodation costs	207	211
Office costs	45	43
Bought-in services	70	48
Auditors' remuneration – Annual audit fee of HEFCW	24	30
Council members' travel and subsistence costs	16	13
Council members' meeting costs	25	12
Staff travel and subsistence costs	33	33
Staff related expenditure on training, recruitment etc.	26	34
Information technology costs	126	150
	<u>572</u>	<u>574</u>

Our auditor during the year was the Auditor General for Wales.

During the year there was an HMRC Compliance inspection looking at staff and council members' travel and subsistence and expenses. As a result of anomalies identified, HEFCW paid PAYE and national insurance amounting to £33k (£15k salaries included in salary costs shown on page 46 of the Remuneration and Staff Report, £17k Council members' travel and subsistence and meeting costs included above) covering the periods 2010-11 to 2015-16. This included interest of £1k as shown of the Statement of Comprehensive Net Expenditure.

7. Prior periods' adjustment

A prior periods' adjustment in respect of the overstatement of programme recurrent expenditure relates to an error in respect of the non-recognition of £4.75 million of repayable grants due from a higher education institution. This expenditure covered the period from 2006-07 to 2014-15, as detailed below.

In 2006-07, a funding package of £12.75 million was agreed with a higher education institution which included a repayable grant of £3.75 million, which was paid out over the financial years 2006-07 to 2009-10. In 2012-13, a funding package of £24.9 million was agreed with a higher education institution which included a repayable grant of £3 million. £1 million of this grant was paid out in the financial year 2014-15 and the balance of £2 million, in the current year, 2015-16.

In both cases, the payment of repayable grants was mistakenly accounted for as 'higher education recurrent expenditure' in the Statement of Comprehensive Net Expenditure, rather than as 'repayable grants' in the Statement of Financial Position.

Corrections made in these accounts consist of:

Statement of Comprehensive Net Expenditure

£000

Overstatement of 'higher education recurrent expenditure'

In 2014-15 - as previously stated	350,143
Adjustment	<u>(1,000)</u>
As restated	<u>349,143</u>
Prior periods 2006-07 to 2009-10 - adjustment	<u>(3,750)</u>
Total prior periods' adjustment	<u>(4,750)</u>

Statement of Financial Position

Understatement of 'repayable grants' (see note 9a)

As at 31 March 2015 – as previously stated	-
Prior periods' adjustment	<u>4,750</u>
Restated as at 31 March 2015	<u>4,750</u>

Statement of Changes in Taxpayers' Equity

Understatement of Taxpayers' equity (see details of prior periods' adjustment on page 56)

As at 31 March 2015	<u>4,750</u>
---------------------	--------------

8. Property, plant and equipment

	Information technology equipment	Fixtures & fittings	Total
Cost	£'000	£'000	£'000
At 1 April 2015	534	286	820
Additions	35	1	36
Disposals	(52)	-	(52)
At 31 March 2016	<u>517</u>	<u>287</u>	<u>804</u>
Depreciation			
At 1 April 2015	445	243	688
Charged during year	67	16	83
Released on disposals	(52)	-	(52)
At 31 March 2016	<u>460</u>	<u>259</u>	<u>719</u>
Net book value at 31 March 2016	<u>57</u>	<u>28</u>	<u>85</u>
Net book value at 1 April 2015	<u>89</u>	<u>43</u>	<u>132</u>
Asset financing			
Owned assets			
Net book value at 31 March 2016	<u>57</u>	<u>28</u>	<u>85</u>

9a. Repayable grants

	2016 £'000	Restated 2015 £'000
Repayable grants		
Balances as at 1 April	4,750	3,750
Advanced during the year	2,000	1,000
Repaid during the year	-	-
Balances as at 31 March	<u>6,750</u>	<u>4,750</u>
Balances as at 31 March		
Within one year	-	-
After one year	<u>6,750</u>	<u>4,750</u>
Balances as at 31 March	<u>6,750</u>	<u>4,750</u>

Repayable grants are funds provided to institutions on an individual basis to support approved projects from the appropriate part of the programme budget.

The commencement of the repayment and the duration of the period over which the grants are repayable vary according to the conditions of the grant agreed with the institution.

None of the above grants is interest-bearing.

Higher Education Funding Council For Wales

As at 31 March 2016, there was one institution (2015 – one) with repayable grants outstanding.

The 2015 figures have been restated as set out in note 7.

9b. Trade receivables and other current assets

	2016 £'000	2015 £'000
Amounts falling due within one year		
Prepayments and accrued income	132	4,466
Other receivables	6,243	4,971
	<u>6,375</u>	<u>9,437</u>
Intra-government balances		
Other central government bodies	-	4,352
Balances with other government bodies	-	4,352
Balances with non-government bodies	6,375	5,085
	<u>6,375</u>	<u>9,437</u>

'Other receivables' includes £1,804k of funding due to be recovered from higher education institutions relating to sector agency funding, a short-term loan for cash flow support (which has been fully repaid since the year-end) and the claw back of £1,433k funding following the 2014/15 audit of student numbers (see note 4).

10. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash held under Government Banking Service		
Balance at 1 April	2,077	2,413
Net change in cash and cash equivalent balances	(1,098)	(336)
Balance at 31 March	<u>979</u>	<u>2,077</u>
Cash held under commercial banks and cash in hand		
Balance at 1 April	2,044	577
Net change in cash and cash equivalent balances	(1,424)	1,467
Balance at 31 March	<u>620</u>	<u>2,044</u>
Total cash and cash equivalents	<u>1,599</u>	<u>4,121</u>

The Government Banking Service (GBS) is a Government-wide banking service. Until February 2016 it was provided jointly by Citibank and the Royal Bank of Scotland and overseen centrally by the GBS team, ultimately controlled by HM Treasury. From February 2016, it was provided solely by the Royal Bank of Scotland (RBS). We do not earn any interest on any balance held in GBS accounts. We have HM Treasury authorisation to continue making payments using commercial banking facilities.

11. Trade payables and other current liabilities

	2016 £'000	2015 £'000
Amounts falling due within one year		
Accruals	298	901
Other taxation and social security	-	90
Sundry creditors	-	1
	<u>298</u>	<u>992</u>
Intra-government balances		
Other central government bodies	-	90
Balances with other government bodies	-	90
Balances with non-government bodies	298	902
	<u>298</u>	<u>992</u>

12. Provisions for liabilities and charges

	2016 £'000	2015 £'000
Broadly by analogy pension liability (see Staff Costs note on pages 46 and 47)	<u>23</u>	<u>25</u>
Analysis of timing of liability		
Falling due within one year	1	1
Falling due between 2016 and 2021	7	7
Falling due between 2022 and 2032	15	17
	<u>23</u>	<u>25</u>

13. Commitments under leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2016 £'000	2015 £'000
Obligations under operating leases comprise:		
Buildings		
Not later than one year	82	82
Later than one year and not later than five years	37	119
	<u>119</u>	<u>201</u>

Expenditure in the year on leasing costs of £82k is included in note 6.

14. **Capital commitments**

2016	2015
£'000	£'000

Contracted capital commitments at 31 March 2016 not otherwise included in these accounts

Property, plant and equipment

Contracted	9	2
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15. **Other financial commitments and contingent liabilities**

2016	2015
£'000	£'000

Revenue grants	39,272	23,850
	39,272	23,850

This amount will be funded by grant in aid from the Welsh Government to July 2016.

As at 31 March 2016, there were no contingent liabilities (2015 – nil).

16. **Losses and special payments**

2016	2015
£	£

Fruitless payments	90	4,043
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17. Related parties

We are a Welsh Government Sponsored Body. The Welsh Government is regarded as a related party. During the year, we had various material transactions with the Welsh Government, which is regarded as the parent Department.

The following Council members have entered into relationships with organisations that are considered to be related parties, details of which are shown in the table below:

Name	Relationship with related party
Dr David Blaney (Chief Executive and Council member)	<ul style="list-style-type: none"> ◆ Fellow, Higher Education Academy ◆ Daughter studying at Cardiff University
Mr David Mason (Council member)	<ul style="list-style-type: none"> ◆ Honorary Fellow, University of Wales, Newport (now University of South Wales)
Mrs Bethan Guilfoyle CBE (Council member)	<ul style="list-style-type: none"> ◆ Honorary Doctor of Education, University of Glamorgan (now University of South Wales)
Dr Arun Midha (Council member)	<ul style="list-style-type: none"> ◆ Partner employed by Cardiff University
Professor Robin Williams CBE (Council member)	<ul style="list-style-type: none"> ◆ Emeritus Professor, University of Wales ◆ Emeritus Professor, Swansea University ◆ Honorary Fellow, Cardiff University ◆ Honorary Fellow, Bangor University ◆ Honorary Fellow, Swansea University ◆ Honorary Fellow, Aberystwyth University ◆ Member, Advisory Group for Engineering, Swansea University ◆ Fellow of the Coleg Cymraeg Cenedlaethol ◆ Daughter employed by Swansea University
Professor Mark Smith (Council member)	<ul style="list-style-type: none"> ◆ Board Member, HESA ◆ Member, the Strategic Advisory Network, EPSRC ◆ Trustee, Jisc ◆ Trustee, AQA ◆ Member, Leadership, Management and Governance Committee, HEFCE ◆ Board member, Universities and Colleges
Professor Stephen Tomlinson CBE (Council member to 31/12/15)	<ul style="list-style-type: none"> ◆ Emeritus Professor, Cardiff University ◆ Lay Member, Biological Standards Committee, Cardiff University
Mr Ewart Wooldridge CBE (Council member to 31/12/15)	<ul style="list-style-type: none"> ◆ Honorary Fellow, Cardiff University

Any funds paid to the institutions and organisations noted above are detailed in note 3, otherwise the funds paid in the year were nil. None of the above individuals has undertaken any material transactions with us.

18. Financial instruments

IFRS 7 and International Accounting Standards (IAS) 32 and 39 require an organisation to present and disclose information on the possible impact of financial instruments on its financial position and performance, and on the extent of its risk exposure.

Liquidity risks – In 2015-16 £125.7 million or 94.0% of our income was derived from the Welsh Government (2014-15: £362.5 million or 94.6%). The remaining income £8.0 million or 6.0% was derived from income from activities (2014-15: £20.5 million or 5.4%).

We do not consider that our general activities are exposed to any significant liquidity risk, and we are satisfied that future income is sufficient to meet our commitments.

Interest rate risks – Cash balances are no longer held in interest-bearing accounts and therefore our general activities are not exposed to interest rate risks.

Foreign currency risk – Our general activities are not exposed to any significant foreign exchange risks.

Cash flow risk – We are not exposed to any significant cash flow risks.

19. Events after the reporting period

There have been no events, after the Statement of Financial Position date up to the date these financial statements were authorised for issue by the Accounting Officer on 14 July 2016, requiring an adjustment to the accounts.

Document is Restricted



Arolygiaeth Ei Mawrhydi dros Addysg a Hyfforddiant yng Nghymru
Her Majesty's Inspectorate for Education and Training in Wales

Annual Report and Accounts

2015-2016

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Section 1: The Performance Report

1.1 Overview

Chief Inspector's foreword

In this year, my first as Her Majesty's Chief Inspector of Education and Training in Wales, my focus has been to build on the work of my predecessor, Ann Keane, who retired at the end of May 2015, and undertake the groundwork that will take the inspectorate forward.



In 2015-2016, we delivered our cyclical schedule of rigorous core inspections alongside a substantial programme of 'follow-up' monitoring of those education providers found during initial inspection to be in need of improvement.

Our inspection and follow-up processes are held in high regard and they have continued to provide public accountability and support improvement across all the sectors we inspect.

Early in the year, we began the process of consulting on proposals for a revised Common Inspection Framework that will come into effect from September 2017. The response from stakeholders has been positive and the project to develop new inspection arrangements picked up pace during the year and is being taken forward in 2016 with pilot inspections planned for the autumn term.

Over the course of the year, we published 14 thematic surveys on various topics as requested in the annual remit letter from the Minister of Education and Skills. Among the reports that received widespread interest from practitioners were the reports on [Best practice in leadership development in schools](#) and [School to school support and collaboration](#). Our new website has improved access to these reports and to other information, such as our best practice case studies, which can be used by education and training providers as a benchmark and to support their own progress.

During the year, we have reorganised our work programme to make resources available to support the Welsh Government in carrying out curriculum reform arising from the Donaldson review. Our contribution to curriculum groups, for example Digital Competence, is furthering the recognition of Estyn as an authoritative voice on education and training in Wales.

Estyn's Civil Service People Survey results in 2015, as in previous years, indicate that we have a highly-engaged workforce. Throughout the ongoing period of austerity with the need to do 'more with less', we have delivered a range of new work streams in addition to our core statutory work. We could not have done this without the diligence and commitment of our staff. I would like to thank all my colleagues who have worked professionally and enthusiastically throughout the year.

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 **7th July 2016**

Purpose and activities of the organisation

Estyn is Her Majesty's Inspectorate for Education and Training in Wales. Our mission is to achieve excellence for all in 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).

In addition to corporate services staff, we employ Her Majesty's Inspectors (HMI) and supplement our internal inspection capacity by engaging secondees. We also train and contract with Additional Inspectors, peer inspectors (who currently work in education and training) and nominees (who act as the provider's representative) to work as part of inspection teams.

Estyn also jointly employs a Joint Inspectorate Project Manager with the Care and Social Services Inspectorate Wales (CSSIW), the Health Inspectorate Wales (HIW) and the Wales Audit Office (WAO) as part of [Inspection Wales](#), which is a collaborative initiative between the four main inspection, audit and review (IAR) bodies in Wales.

For the 2015-2016 financial year, all school inspections were undertaken directly by HMI or Additional Inspectors directly engaged by Estyn. A small number of Additional Inspectors also carried out some aspects of survey work and training work on behalf of Estyn.

Estyn's management team and corporate services staff are based in our office located in Anchor Court, Keen Road, Cardiff. All of Estyn's employed inspectors work from home. Estyn's [organisational structure](#) is available on our website.

Our [strategic overview](#) setting out our mission, vision and values together with our three strategic objectives and two delivery principles 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.

Key issues and risks

A key challenge for Estyn is to continue to deliver high-quality inspection and advice work and also meet additional developments, such as supporting curriculum reform, during a period of ongoing austerity. Resourcing issues for Estyn are not only related to budgetary constraints; ensuring that the organisation has a flexible workforce with the right set of skills is key to successful delivery of our objectives.

We produce an annual Training and Development Plan to meet individual and organisational development needs and we operate a distributed leadership model





which provides staff with opportunities to undertake a range of leadership roles and develop corporate knowledge across Estyn.

We run an annual recruitment campaign to bring in new HMI. This is a cost-effective method of recruitment, but can present problems when it is not possible to match the start date of new recruits with the end date of those staff leaving Estyn. We seek to make use of partial fixed-term contracts for retiring HMI to provide for a smooth handover of knowledge and roles. In addition, we run a programme of secondments from education and training providers for individuals to work with us as additional inspectors – this provides flexibility and additional capacity for Estyn and also provides an opportunity to build capacity for improvement in providers when the secondee returns to their substantive post. We need to tightly manage our resources and our staff are scheduled within a termly work programme which is adjusted, as necessary, to maximise the use of our resources.

Performance summary

Each year Estyn publishes an [Annual Plan](#), which sets out the key activities for the year that support the delivery of our mission and reflect Estyn's delivery principles. The 2015-2016 Annual Plan can be found [here](#). Achievement against Performance Indicators is monitored on a quarterly or termly basis by the Estyn Strategy Board and the results are published throughout the year on our website [here](#). Each year, our performance targets are adjusted to emphasise continuous development. In 2015-2016, we met or exceeded all our targets. This performance summary highlights a number of performance measures referenced in the performance analysis section, including a selection of our performance indicators.

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

-  Full programme of core statutory inspections delivered (**376** inspections completed)
-  **30%** of providers inspected received follow-up inspections to help drive improvement
-  **100%** of inspection reports were published within deadlines (PI 4)
-  **98%** of providers indicated their satisfaction with the reliability and independence of Estyn's judgements following the publication of the inspection report (PI 3)

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

-  **14** thematic reports published – with more effective communication of report findings
-  **100%** of these thematic reports were published to deadlines (PI 6)
-  HMCI's Annual Report produced in-year on schedule - published on 26 January 2016 (PI 5)

Strategic Objective 3: Build capacity in the delivery of education and training in Wales



40 best practice case studies published



Held **45** training events and 13 best practice events



98.6% of delegates rated our training as good or excellent



Received nearly **2,000** responses to our national consultation on how Estyn inspects

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



Reduced Net Operating Costs by **2%** against previous year expenditure



High levels of staff engagement maintained - Estyn is in the top **3** of **96** civil service organisations (PI 8)



Accredited at **level 3** of the Green Dragon Environmental Standard



100% of complaints and requests for information (made under FOIA and DPA) completed within target timescales



7.4 days, on average, were lost through sickness per member of staff that is a **3.6%** annual sickness absence rate (PI 9)

Delivery principle 2: Work collaboratively with other inspectorates to support improvement



17 inspections, special investigations and joint thematic reviews were undertaken with other Welsh and UK inspectorates (PI 19)



Joint IAR seminar on 4 February 2016

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 Strategic Objectives and under our Delivery Principles.

Where Estyn's Performance Indicators (PIs) as outlined in the Annual Plan for 2015-2016 are referenced, the following symbol is used:

PI

Click on the symbol to link to our website and view performance against our targets for the year.

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

Core inspection programme

A [common inspection framework](#) (CIF) applies to all the sectors that Estyn inspects, other than local authorities, and is available on our website. The common inspection framework is designed so that inspections meet the statutory requirements set out in legislation. Guidance handbooks on carrying out inspections and making judgements are available on our website [here](#) for each sector we inspect.

Estyn Core Inspections by sector 2015 - 2016

● Number in Annual Plan
● Actual number

Non-maintained nursery settings

* One setting withdrew from the local authority list so we could not proceed with that inspection and 11 joint pilot inspections with CSSIW were agreed and added to the programme of inspections in-year.



Primary and maintained nursery schools

* Fewer inspections owing to postponement of inspections and closures and amalgamations of this provision.



Secondary schools

* Fewer inspections owing to postponement of inspections and closures and amalgamations of this provision.



All age schools

* Inspections added to the programme of inspections in-year.



Special schools

* Inspection added to the programme of inspections in-year.



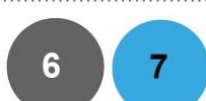
Pupil referral units (PRUs)

* Fewer inspections owing to postponement of inspections and closures and amalgamations of this provision.



Independent schools, independent special schools and independent specialist colleges

* An independent specialist college was added to the programme of inspections in-year.



Regional consortia

* 1 inspection rescheduled for summer term.



Initial teacher education and training (ITET)

* A planned re-inspection was postponed.



Further education institutions



Work-based learning (WBL) providers

* Two inspections added to the programme in-year.



Adult community learning (ACL)

* Inspections postponed – thematic survey to be published in autumn term 2016 as a 'state of the nation' report to gain a clearer picture of provision in light of cuts to funding for this sector.



Welsh for Adults (WfA)

* Changes to how WfA is delivered and managed meant that we postponed inspection activity of individual providers until 2017.



Total number of inspections



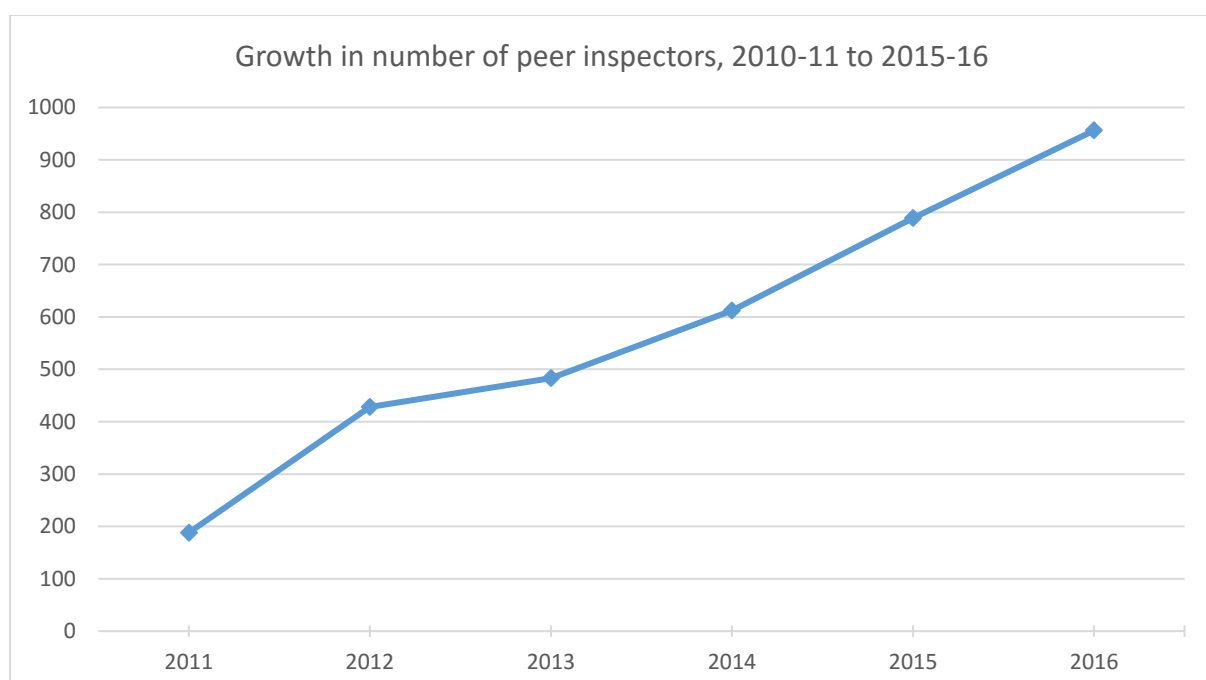
All education and training providers in Wales are inspected at least once within a six year period beginning 1 September 2014. In December 2015, the Minister for Education and Skills proposed a more flexible approach to inspection by amending regulations to allow Estyn to inspect schools and other providers once in a seven year period instead of a six year period for one inspection cycle. These changes will come into effect from September 2016 and will enable Estyn to repond more flexibly to our ongoing consultation on inspections and to consider how best to deploy inspection resources where they are most needed.

In all sectors, apart from primary and non-maintained nursery settings, all inspections in 2015-2016 were led by HMI. In the primary sector, HMI led around half of the inspections and Registered Inspectors, working under contract with Estyn, led the other half.

In the non-maintained nursery sector, we undertook a joint-working project during the year with the Care Services and Standards Inspectorate for Wales (CSSIW). This involved HMI and CSSIW working together on inspections with some led by HMI and some led by CSSIW. As a result, about 20% of non-maintained nursery inspections were led by either HMI or CSSIW. The remainder were led by Registered Nursery Inspectors, working under contract with Estyn.

Inspection – external resources

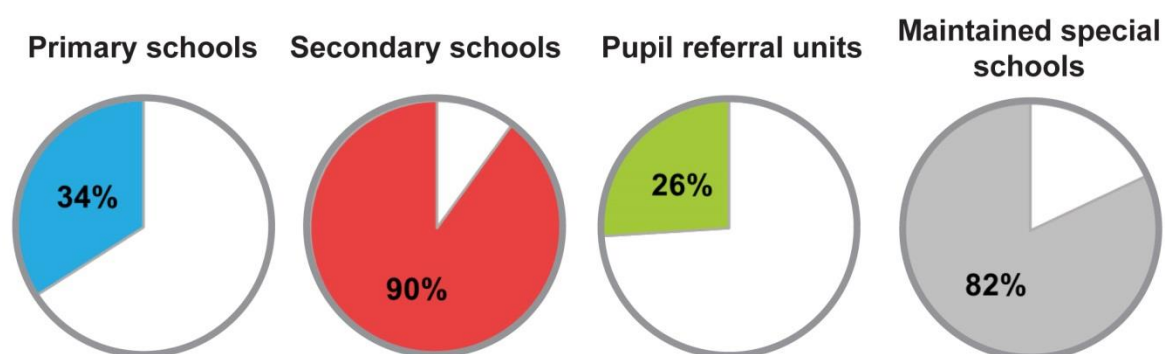
In 2015-2016 we continued to recruit, train and deploy peer inspectors as part of our inspection teams for all sectors apart from mainstream independent schools. Peer inspectors are individuals who have a managerial role in a school or provider and have teaching or training experience in the relevant sector. They are full members of an inspection team and contribute to the inspection work in all key questions. They also write sections within inspection reports allocated to them by the Reporting Inspectors. We reimburse providers for the cost of supply cover, and travel and subsistence expenses incurred on inspection are paid for by Estyn.



The peer inspector programme has been a great success and, by the end of 2015-2016, there were almost 1,000 peer inspectors across all providers in Wales.

Only a very few inspections took place in 2015-2016 without at least one peer inspector on the team.

Percentage of providers who have at least 1 peer inspector



Here are a few testimonials from individuals regarding the benefit of being a peer inspector.

"Very much enjoyed going out as a Peer Inspector.

An invaluable experience both as continuing professional development and for your own education context."

"The Peer Inspector Programme has been the most valuable professional development that I have undertaken, personally and professionally and has also had a benefit to the school."

"I would whole-heartedly recommend the training (and have done so to many colleagues). The opportunity to join a team on an inspection was extremely developmental for me and I would relish the opportunity to undertake another in future."

And, here is some feedback from providers.

"The approach of the (lay and) peer inspector to gathering evidence and discussing matters with staff was effective and professional".

"The introduction of Peer inspectors (and Nominees) has been one of the best initiatives Estyn has introduced. It has increased respect for the inspection system and helped to confirm and/or share good practice more effectively than almost any other CPD".

Statutory and enhanced 'inspection follow-up' activity

Throughout 2015-2016 we continued to monitor the progress of providers found to require [follow-up](#) at their core inspection.

For providers in statutory follow-up (significant improvement and special measures), we have provided further support and challenge to help the provider to devise suitable action plans to bring about the required improvements. For example, we have ensured that the provider has linked the planned actions to measurable success criteria. We have ensured that the provider has carefully costed each action, has devised a suitable time frame and allocated each action to a specific, accountable postholder.

Case study

In 2011, following a core inspection, inspectors judged that Deighton Primary School needed significant improvement. It received two monitoring visits from Estyn inspectors in 2012 and 2013. Following the school's next core inspection in July 2015, inspectors judged all indicators as good, and as a result no follow up was required.

The headteacher has been in post since April 2012, and the deputy headteacher was appointed in April 2013. The culture of the school has changed as a result of changes to the school's leadership. The headteacher leads the school very effectively. He has shared a clear vision to improve pupils' life chances, and promoted a positive learning environment where everyone is encouraged to develop ambition and to achieve their best. There are clear lines of accountability, and leaders challenge underperformance rigorously. As a result, pupils' standards, attendance and behaviour have all improved significantly since the last inspection. Leaders use data very effectively to inform future priorities for improvement. The strategic approach taken by the school has significantly improved the ambitions and achievements of disadvantaged pupils. A good example of this is the recent visit to Jesus College, Oxford, which successfully raised older pupils' aspirations to study at university when they leave school.

For other providers in follow-up, we have responded flexibly to use our resources proportionately and respond to the particular needs of the provider. For example, we have monitored a few providers using 'desk-based' monitoring, rather than sending a team of inspectors. In a very few instances, we have revisited a provider in follow-up after a further six months to check that improvements are embedded.

The percentage of Estyn core inspections requiring follow-up activity by sector
2014-15 to 2015-16

- Total core inspections
- % requiring statutory follow-up
- % requiring Estyn monitoring

Non-maintained nursery settings	2014 - 2015	124	n/a	9%
	2015 - 2016	116	n/a	16%
Primary schools	2014 - 2015	221	8%	28%
	2015 - 2016	202	4%	26%
Secondary schools	2014 - 2015	34	29%	35%
	2015 - 2016	35	14%	46%
All age schools	2014 - 2015	0	n/a	0%
	2015 - 2016	1	100%	0%
Special schools	2014 - 2015	7	14%	0%
	2015 - 2016	6	33%	33%
Pupil Referral Units	2014 - 2015	4	0%	75%
	2015 - 2016	2	100%	0%
Independent schools, independent special schools and independent specialist colleges	2014 - 2015	9	n/a	0%
	2015 - 2016	7	n/a	0%
Regional consortia	2014 - 2015	0	n/a	0%
	2015 - 2016	1	n/a	0%
Post-16 providers <small>* includes Further Education institutions, Work Based Learning, Adult Community Learning, Welsh for Adults and Initial Teacher Education and Training.</small>	2014 - 2015	10	10%	30%
	2015 - 2016	6	0%	17%
All inspections	2014 - 2015	409	7%	22%
	2015 - 2016	376	5%	24%

Percentage of providers inspected requiring follow up activity^a, 2010-2011 to 2015-2016^{b,c}

Financial year	Number of core inspections	Number inspected found to require follow-up	Percentage found to require follow-up activity
2010-2011	269	51	19%
2011-2012	445	113	25%
2012-2013	419	116	28%
2013-2014	391	128	33%
2014-2015	409	123	30%
2015-2016	376	111	30%

^a Only includes statutory follow-up (e.g.SI or SM) and Estyn monitoring. Does not include local authority monitoring or Link Inspector monitoring.

^b Financial year

^c Includes 11 pilot joint inspections with CSSIW for non-maintained nursery providers

The quality assurance of Estyn inspections and reports

PI 1

We have maintained stakeholder confidence in the quality of inspections by quality assuring reports rigorously before their publication. In 2015-2016 we quality assured, validated and moderated all Estyn-led inspection reports. The quality assurance process is undertaken by HMI who are not part of the original inspection team. HMI who undertake the validation and moderation of reports follow [guidance](#) on the quality assurance of reports and inspections published on the Estyn website. In 2015-2016, none of our published inspection reports required amendment after publication as a result of substantial challenge to judgements.

Survey results collated in 2015-2016 indicate that inspections are experienced by providers as a positive process that promotes improvement.

PI 2

PI 3

In accordance with our [policy](#) (Estyn's arrangements for assuring the quality of inspections), we undertook quality assurance visits to about 10% of inspections in the primary sector and to about 20% of inspections in the non-maintained nursery sector led by Registered Inspectors. We also visited about 5% of inspections led by HMI as part of our quality assurance processes.

During 2015-2016, all our inspection reports were published in a timely manner.

PI 4

An internal audit of quality assurance systems and processes was carried out at the year-end and provided 'substantial assurance' that the controls in place to manage the issues in this area are suitably designed and consistently applied. The key finding of the report was that Estyn has a well-established and effective quality assurance process for inspections, seen by HMIs as being a valuable process incorporating an appropriate balance between support and challenge.

New inspection workstreams, including reviewing, piloting and updating the guidance on inspection

In 2015-2016, we worked with CSSIW to develop a joint-inspection framework for non-maintained settings. During autumn 2015 and spring 2016 we piloted this framework in 11 non-maintained settings. The type of settings inspected as part of the pilots included day nurseries and playgroups as well as settings that offered English or Welsh-medium provision. We will be evaluating the pilots during summer 2016. We will continue to pilot inspection arrangements during autumn 2016 and 2017.

We also developed and piloted new arrangements for inspecting further education institutions in the spring term 2015, and provided training for peer inspectors in this sector in the summer term 2015. The new cycle of inspection for further education started with the inspection of Coleg Cambria in the autumn term 2015 and Bridgend College in the spring term 2016.

We have developed a framework for inspecting the regional school improvement consortia. We consulted with our key stakeholders during the development of the framework. As part of the evidence base, we conducted a perception survey of all maintained schools headteachers and chairs of governors to gather their views about the effectiveness of support and challenge they receive from the consortia. The Central South Consortium was inspected in late March 2016 and the other three consortia are to be inspected during the summer term 2016.

We have developed early proposals for the inspection of local authorities from 2017 onwards. The proposals will be considered and developed during 2016-2017, taking full account of the timetable for local government reform.

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

Publication of [thematic reports](#) in response to the annual Ministerial remit letter and provision of other advice to Welsh Government

In response to the [Minister's annual remit letter](#), in 2015-2016, we published 14 thematic reports on the following topics:

Name	Date of publication
The impact of advisory teachers on funded non-maintained settings	May 2015
Best practice in teaching and learning in the creative arts at key stage 2	May 2015
How well do further education institutions manage learner complaints?	May 2015
Improving schools through regional education consortia	June 2015
Best practice in leadership development in schools	June 2015
Effective practice in improving attendance in primary schools	June 2015
Education other than at school: a good practice survey	June 2015
School-to-school support and collaboration	June 2015
Review of educational visits policies in the further education sector	September 2015
Effective teaching and learning observation in further education colleges	October 2015
Breaking down barriers to apprenticeships	October 2015
Statutory use of leadership standards in the performance management of headteachers	November 2015
Learner support services in further education for learners aged 16-19	December 2015
The impact of the Additional Training Graduate Programme (Teach First) in Wales	February 2016

All were published within timescales agreed with the Welsh Government.

PI 6

We developed a toolkit and provided training for peer inspectors for their involvement in thematic surveys in the summer term 2015, introduced a training session for new HMI on our thematic surveys, and provided each thematic survey lead with a briefing pack that outlined existing relevant research and included a suggested framework for undertaking the project.

We provided advice and support to the Welsh Government's Department for Education and Skills (DfES) as required, including participating in a range of Welsh Government committees, working and advisory [groups](#).

We also contributed to reports on joint inspections and surveys involving other inspectorate, audit and regulatory bodies.

We have provided a range of support and guidance to the Welsh Government during the initial phase of the curriculum reform programme. Estyn is represented on many of the groups established by the Welsh Government to support the programme. This year, Estyn has liaised with the Welsh Government during the development of the Digital Competence Framework. In preparation for the availability of this framework from September 2016, we have made some amendments to our inspection handbooks and plan to provide additional training to our inspectors.

During 2015-2016, we worked with the DfES to revise the structure of thematic surveys for 2016-2017 to provide a more flexible model that allows for rapid response through to substantive items that may lead to regional and national conferences.

Looking forward, we have introduced a new performance indicator for 2016-2017 that aims to capture Estyn's impact on the development of national policy and education and training initiatives: target of 90% of recommendations for improvement that are fully accepted for implementation by Welsh Government

PI 7

Production and publication of HMCI's Annual Report

HMCI produced his first Annual Report on the quality of education and training for the academic year 2014-2015, publishing it in January 2016.

PI 5

A web-based version of the foreword and thematic section of the report was produced, while the whole report was accessible online for reading on hand-held electronic devices, including tablets and mobile phones, as well as PCs and laptops. We also published an accessible version so that the 'pdf' version could be read by online screenreaders.

Estyn liaised effectively with the office of the Minister for Education and Skills and Welsh Government officials, in particular to communicate the key messages from our thematic chapter about the curriculum in Wales. The thematic section, particularly the self-evaluation questions, was well-received.

We launched Estyn's new interactive data website when we published HMCI's Annual Report. This means that the report does not include a summary of inspection outcomes, but includes links throughout the report to this website. The Annual Report also showcased a wide variety of case studies from a range of providers across Wales.

We designed and implemented a media campaign to support the launch of the Annual Report. This included a film, which achieved a great deal of positive publicity and generated media debate and discussion. The use of Twitter contributed significantly to public debate and discussion, and encouraged comment from a wide audience, including education professionals, teaching unions, consortia and members of the public.

Developing distributed leadership through Lead Inspector / Lead Officer / Link Inspector roles

Estyn has established a constructive working relationship with every local authority through pairs of link inspectors. Working in pairs has reduced the risk that we lose touch with an authority if an inspector is off work or leaves the organisation. During 2015-2016, we maintained an ongoing evaluation of every local authority; these are succinct two-page summaries of our latest view of the authority and helpfully inform meetings through the year that HMCI and senior staff have with the Welsh Government and other stakeholders.

Routinely Estyn has:

- analysed and interpreted performance data and inspection reports, and used this effectively to challenge local authorities about their provision
- monitored providers' performance and progress against post-inspection action plans, and followed up specific concerns from reporting inspectors with local authorities for providers where progress is not good enough
- followed up specific issues with providers where appropriate

- aimed to identify best practice, although the limited time available for Local Authority Link Inspector (LALI) work makes this a challenge.

Throughout 2015-2016, we maintained an ongoing liaison with other inspectorates, auditors and regulators. This resulted in shared inspection activity in a few authorities where there was a common interest in an aspect of the local authority's work. We also drafted an evaluation of school performance, which is included in the latest Wales Audit Officer Annual Improvement Report for each local authority.

We advised the Welsh Government on the development of regional consortia and a key impact was the revision of the National Model for Regional Working. We also reviewed the lead officer roles in relation to the curriculum and redirected this resource to support the development of the new curriculum for Wales, including creating a new lead role in relation to curriculum development.

We provided training to support lead officers in relation to their roles, for example in relation to influencing skills, and we continued to develop our post-16 link inspector roles with regular meetings focusing on key issues in the post-16 sector.

Developing knowledge-management capabilities

Estyn continued to develop its electronic systems (SharePoint) for sharing and collating information from external and internal groups and committees, taking account of new and emerging areas of our work such as supporting Successful Futures and our new inspection arrangements.

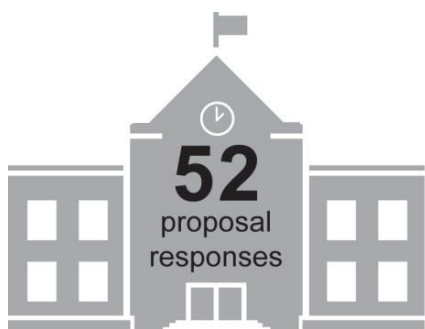
Specifically, we:

- set-up a series of research-focused seminars for HMI exploring the use of data in our inspection, thematic survey and wider work
- refined our monthly research update for staff to include news of relevant announcements such as written statements made by the Minister of Education and Skills, as well as summarising key pieces of internal, national and international research
- continued to provide support for the development of our thematic survey work, including the provision of training and refinement of support materials
- established a more robust referencing process based on the Harvard Referencing system and offered training on the principles and effective use of this new system
- developed a Legislation and Policy Guidance log to enable staff to easily access all legislation and policy guidance documents related to the inspection of education and training providers in Wales
- improved our data storage and retrieval processes, holding all data in secure SQL databases, which link efficiently to our various management information and pre-inspection information reporting systems.

In 2015 we also introduced a termly meeting with the Welsh Government's Knowledge and Analytical Services, and Public Policy Institute Wales to discuss and share information about research and thematic surveys.

Estyn's role as a consultee on school organisation proposals

Estyn responded to 52 school reorganisation proposals.



We concluded that 45 proposals were likely to maintain or improve educational outcomes.

Seven proposals did not provide sufficient information for us to come to a view one way or the other.

We held discussions with officers in the Welsh Government to evaluate the usefulness of our responses and received positive feedback. We made a minor amendment to Estyn's internal guidance to align it closer with the Welsh Government's [school reorganisation code](#).

Strategic Objective 3: Build capacity in the delivery of education and training in Wales

Estyn-led training events and conferences

Estyn makes valuable use of information from thematic survey and inspection work to inform our training programme and building capacity work. We provide a comprehensive programme of training to support providers to develop their knowledge and understanding of inspection and for senior leaders within those organisations to develop a range of skills that not only support inspection but inform their work as a senior leader in their school. In 2015-2016, we held a total of 45 training events and 13 best practice events, including six sector stakeholder forum events and a National Stakeholder Forum conference. Our aim is to ensure Estyn-hosted training events and best practice conferences meet the needs of delegates; 98.6% of delegates rated our training as good or excellent.

PI 8

The main thrust of our work in 2015-2016 was to train peer inspectors and challenge advisers to help us deliver our inspection programme. Our training provides excellent opportunities for senior leaders in schools and other providers to develop a better understanding of our work and to strengthen their understanding of the importance of self-evaluation and robust quality assurance systems to support improvement. Our training programme for 'challenge advisers' was adapted further in 2015 to ensure that it not only focuses on developing inspection skills but complements advisers' work in supporting and challenging schools.

We have introduced a new indicator for 2016-2017 that aims to ensure peer inspectors regard their training/deployment as positive and beneficial activities: 95% target of peer inspectors providing a positive response to survey.

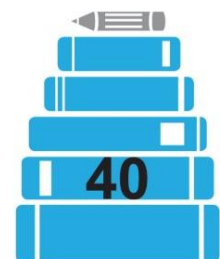
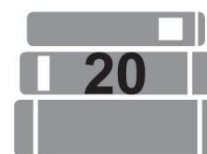
PI 9

Identifying and disseminating best practice

We have doubled the number of [best practice](#) case studies produced.

Best practice case studies

- Number published during 2014 - 2015
- Number published during 2015 - 2016



In 2015, on our website we improved the ease of access to best practice examples, allowing our case studies to be filtered by key question, quality indicator, key words, and by sector and local authority.

During 2015-2016, we began promoting best practice case studies via Twitter using tweets which include the school twitter handle, LA twitter handle, a link to the case study and an eye-catching image to draw the reader's attention. Each case study has one publication tweet and a reminder tweet posted about a week after the first one. Providers are informed when their case study is published, and case studies are included on Estyn's monthly update to all subscribers. The general design of case studies on our website has been improved so that they are more reader-friendly.

More effective communication of thematic report findings

During the year we improved the format of our website to present our thematic reports. For example, reports can be filtered by sector, word tag and document types (e.g. powerpoint, word document, video).

The image shows a search interface for thematic reports. It features a large red background. At the top, the text "Thematic reports search:" is written in white. Below this, there is a white search input field. Underneath the search field, there are three filter sections: "Sector" with a dropdown menu showing "All", "Tags" with a dropdown menu showing "All", and "Document Type" with a dropdown menu showing "All". To the right of these filters is a white "Search" button.

Recommendations are placed on the main page describing the thematic report to communicate the main messages more clearly. A few thematic reports, such as best practice in the creative arts in key stage 2, are promoted on YouTube with a video. We have been promoting this multimedia approach more often during 2015-2016. We also monitor the data on usage of these videos within quarterly reports on our communications which help us to evaluate how effective our communication of these reports actually is.

All reports are also promoted via twitter, and through newsletters as with the best practice case studies.

Develop strong partnerships with stakeholders

Between October and November 2015 we conducted a national consultation on how Estyn inspects education and training in Wales. The consultation attracted a good deal of interest and traffic to our website. We received nearly 2,000 responses to our on-line questionnaire. The consultation included a specific focus on engaging 'hard to reach' stakeholders, which was carried out on our behalf by a research company. As part of the consultation process, we conducted workshops with specific groups, for example headteachers in the Central South consortium and the GwE consortium, HMI, and Estyn corporate staff. We also consulted with officers in Welsh Government.

We held an annual National Stakeholder Forum in Llandrindod in March 2016 for representatives from each official body listed in our stakeholder list. The event focused on the main messages from HMCI's Annual report and the emerging thinking in relation to our new inspection arrangements. Seventy delegates attended the event.

Estyn also carried out an online survey for all maintained schools headteachers and Chairs of Governors to gather their views about the work of the regional consortia and local authorities in supporting their schools. We also held a series of Sector Network Forum meetings, at least once for nearly all sectors during the year.

Assistant Directors or the relevant sector lead inspector attended events hosted by education bodies, including the Association of Directors of Education in Wales (ADEW), Colegau Cymru, the National Training Federation for Wales (NTfW), Governors Wales and Councils. We continued our engagement with the Welsh Government through meetings between HMCI, Strategic Directors and Assistant Directors and their equivalent Welsh Government officials, as part of a programme of regular meetings to provide advice to Government.

Estyn launched its new website and continued to make improvements based on feedback to ensure that teachers, other education professionals, parents and all stakeholders can easily access our inspection reports, thematic reports, best practice and other publications.

We published Estyn's stakeholder newsletter, twice a year, promoting it through all our communication channels, including email to all additional, peer and lay inspectors, education and training providers, and anyone who had subscribed through our website. We also issued a monthly Estyn Update email to our subscribers and education and training providers.

We engaged with other inspectorates, audit and regulatory bodies to consider and implement joint work where appropriate. For example, last year Estyn carried out 11 joint inspections with CSSIW piloting the new joint framework for non-maintained settings. We also engaged with inspectorates across Europe through our involvement in the home countries inspectorates group and the Standing

International Conference of national and regional Inspectorates of education (SICI), which has enabled us to learn from others and consider different approaches to inspection.

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

In 2015-2016, we continued our work on a number of cross-cutting initiatives to help improve Estyn as an organisation. Our action plans support aspects of the Well-being of Future Generations (Wales) Act 2015, which is about improving the social, economic, environmental and cultural wellbeing of Wales.

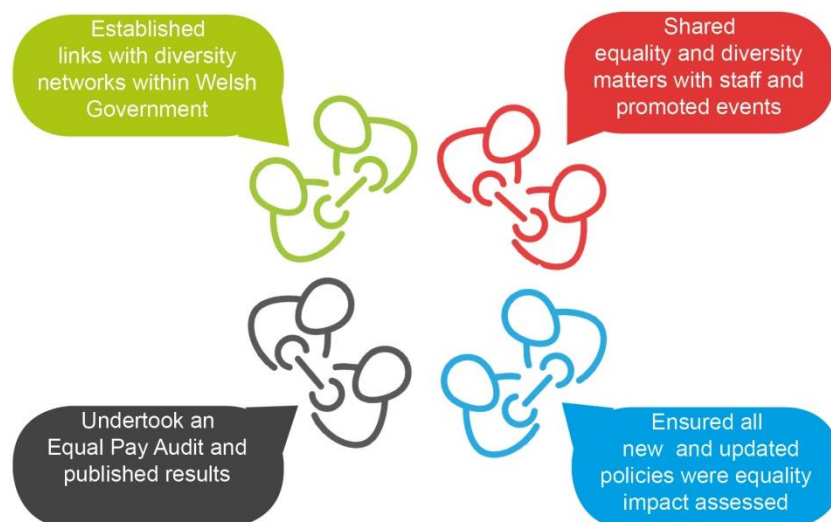
PI 16

Equality

We value diversity and strive to support equality both throughout Estyn and through our inspection processes. In March 2016, we published our second [Strategic Equality Plan \(SEP\)](#).

PI 18

The SEP was produced in consultation with staff and trade unions and continues the work undertaken within Estyn to fully embed diversity and equality into all we do. The SEP is underpinned by annual action plans; here are a few of the activities we undertook in 2015-2016:



Sustainability

We maintained an environmental management system and we were re-accredited with the 'Green Dragon Standard' (level 3) in October 2015. We used the accreditation process to identify any opportunities to improve our environmental management activities further and set these out in our [Environmental Policy and Statement](#).

We have identified that our main impacts on the environment arise from the consumption of energy, transport, the generation of waste and the consumption of office materials. Objectives and targets have been produced in order to improve environmental management and performance and reduce Estyn's environmental impacts.

Performance against environmental objectives for 2015-2016 can be found on our website in the [Summary Sustainability Report 2015-2016](#).

Health standards

Our commitment to staff health and wellbeing remained a priority with the promotion of relevant issues, staff annual health checks and an Employee Assistance Programme. We also maintained the momentum of achieving the Silver Corporate Health Standard award in 2014 by dedicating the same level of resource and effort to our activities.

Staff engagement

In 2015-2016, Estyn remained within the top 5% of organisations reported within the results of the annual Civil Service People Survey, with an overall engagement index score of 73%, which compares favourably to the Civil Service wide engagement index of 58%. The table below compares Estyn's performance with average civil service performance since the introduction of the Survey in 2010.

PI 10

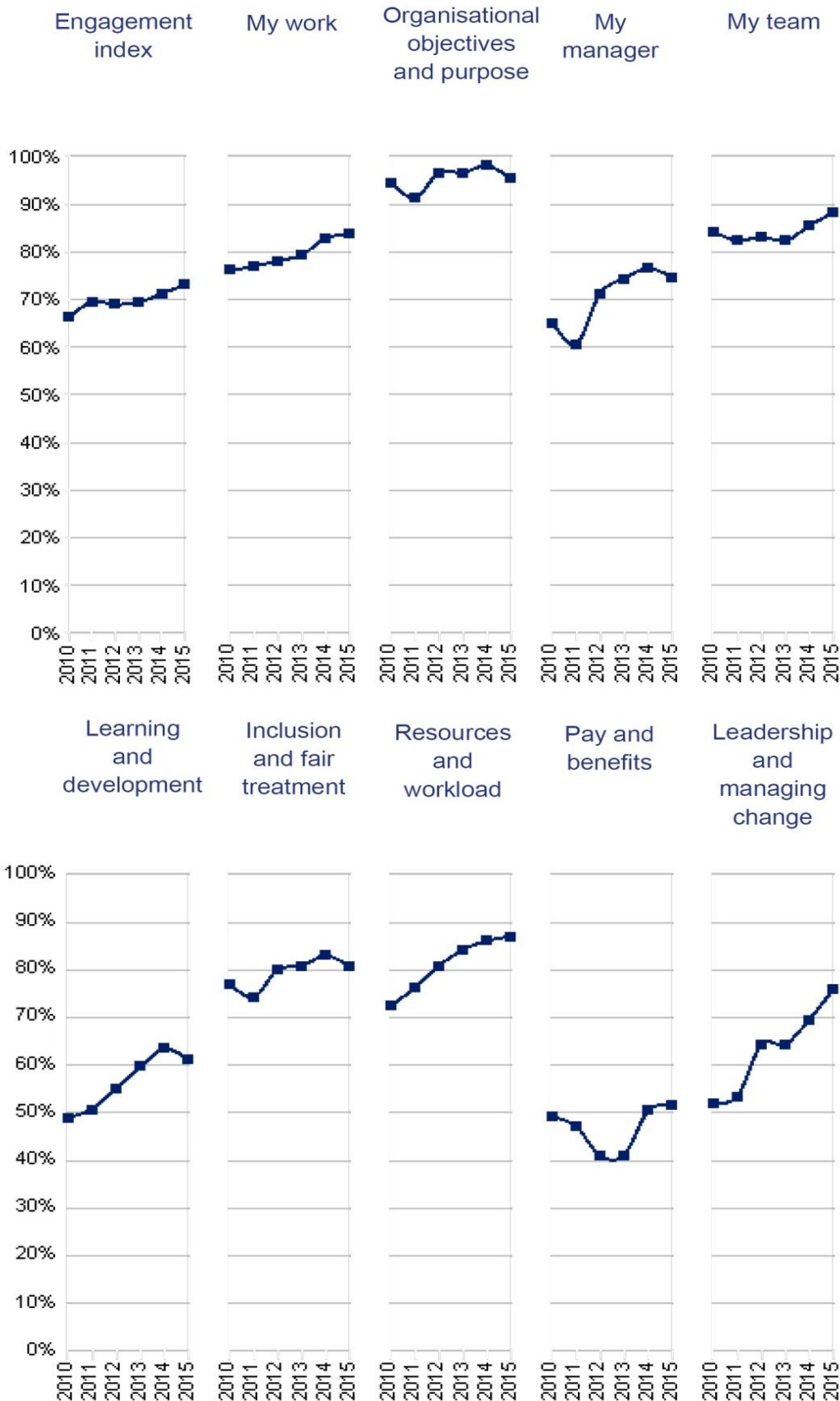
Year	Civil service engagement	Estyn engagement	Estyn position (out of 96+ organisations*)
2015	58%	73%	3
2014	59%	71%	4
2013	59%	69%	4
2012	62%	69%	5
2011	60%	70%	6
2010	56%	66%	9

Note: *the number of organisations that take part in the Survey varies each year.

Considering the Survey themes charts, over the last five years, improvements can be seen in many areas including my work, my manager, my team, resources and workload, pay and benefits, leadership and managing change. However there are four themes, which include organisational objectives and purpose, my manager, learning and development and inclusion and fair treatment, that have seen a small decrease since 2014. Although scores for these themes have decreased, all compare favourably to the Civil Service results of 2015, and some compare favourably to the Civil Service high performers of 2015. See key headlines table on page 27.

Estyn - Theme Scores 2010-2015

Improvements can be seen in many themes over the last five years, however there are four themes that have seen a decrease since 2014.





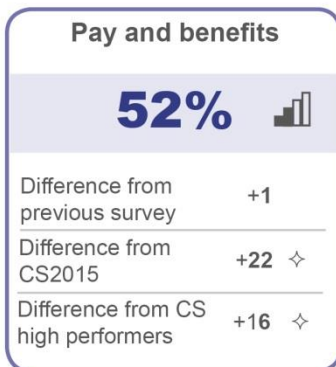
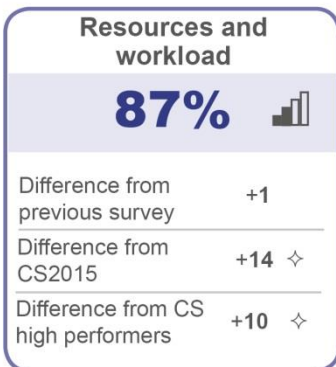
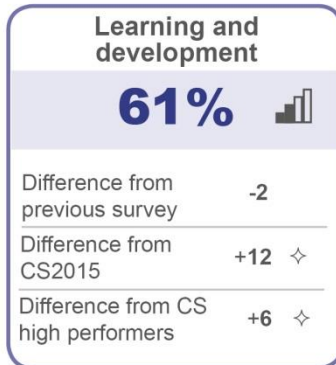
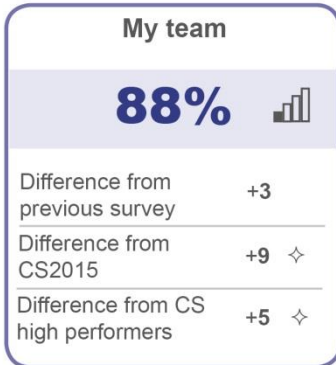
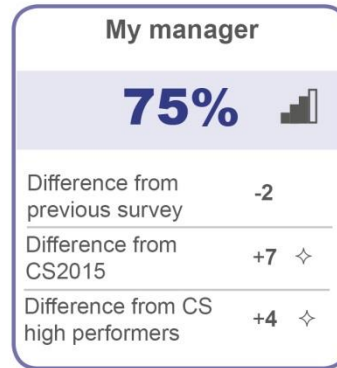
Key headlines



- Many indicators are similar to 2014, and all are higher than the CS high performers and significantly higher than CS2015.
- Significant improvement in Leadership and managing change

Your position out of 96 organisations in 2015: 3 (4 in 2014)

-  Statistically significant difference from comparison
-  Strength of association with engagement



The full details of [Estyn people suvery results 2015](#) are available on our website.

Key actions taken forward by Estyn's Employee Engagement Group in the year included:

- considering learning and development activities to improve performance and career development, including encouraging staff to develop for the next grade by identifying informal training opportunities, completing personal development plans, encouraging mentoring and coaching and arranging job shadowing
- re-emphasising the total benefits package, promoting opportunities where employees can save in our staff newsletter 'Your Estyn', reminding employees of the Civil Service Sports Council membership and reviewing the 'Employment Guide' to ensure clarity on pay on appointment
- promoting consistency in the application of performance management through consistency checks and validation meetings
- continuing with various communication methods, including regular updates for inspectors in Professional Development Week, communicating recent changes to corporate services staff at Corporate Services updates, actively cascading minutes and feedback from management to team members and continuing communication of significant changes including Estyn's New Inspection Arrangements and Successful Futures.

Employee consultation

Throughout 2015-2016, management continued to hold regular meetings with the trade unions including a TUS/Management operational forum and a TUS/Management strategic forum. The strategic forum allows for the exchange of strategic information and views on strategic matters that affect employees and the effective delivery of services, for example negotiation of pay and terms and conditions of service. The operational forum supports the delivery of Estyn's work and helps inform strategic discussions. During the meetings the unions are invited to comment on Estyn policies and procedures. During 2015-2016, the following policies and procedures have been consulted on, including:

- Travel and Subsistence Policy
- Social Media Policy and Guidance
- Flexible Working Policy and Guidance
- Redundancy Policy
- Managing Conflict of Interest Policy

In addition to union consultation, consultation with all staff takes place and impact assessments are completed, for each policy.

Welsh language standards

The Welsh Language (Wales) Measure 2011 establishes a legal framework to impose duties on persons to comply with statutory standards relating to the Welsh language. The standards replace the system of Welsh language schemes established under the Welsh Language Act 1993.

PI 17

During 2015-2016, we promoted and supported bilingualism by implementing our [Welsh language scheme](#) and worked towards meeting the statutory standards set by

the Welsh Language Commissioner. We made good strides in developing our Welsh language services, although there are requirements within the standards that we had not fully addressed by the year-end. It is however a matter of developing and evolving our systems and practice at Estyn rather than making wholesale changes.

Comments, complaints and requests for information

As an organisation, we take all comments and complaints seriously and will respond to all complaints fully, fairly and as quickly as possible. In 2015-2016, we dealt with 3 formal complaints, all of which were responded to within our target timescale of 20 working days.

Estyn also has a statutory duty to respond to any requests for information made under the Freedom of Information Act (FOIA) and the Data Protection Act (DPA) in a timely manner. In 2015-2016, we responded to 19 requests for information made under FOIA. All were completed within the target of 20 working days. During the same period, we responded to 40 requests for information made under DPA. Again, all were completed with the target of 40 calendar days from receipt of identity.

For transparency, we publish [Comments, complaints and requests for information](#) on our website.

Governance

Our [Governance framework](#) of Boards, Committees and Groups helps us to fulfil our strategic objectives as a well-run and efficient organisation, accountable to our staff, stakeholders and the general public. Further details of our governance process, including the outcomes of the programme of internal audits, are included within the Governance Statement.

In line with legislation we produced and published an Annual Plan for 2015-2016. Our plan for 2016-2017 was approved by the First Minister in April 2016 and is available on our website [here](#).

PI 12

Financial performance highlights ¹

Savings of around £1million against a resource budget of £11.664million reflect: reductions across our administration and other running costs of around £100k; unused depreciation of £294k (depreciation is a ring-fenced budget and may not be redeployed); a reduction in Programme expenditure of around £100k, and, an underspend of around £500k against our resource allocation for staffing.

Our Programme expenditure relates largely to the cost of training and contracting with Additional Inspectors (AI) and Peer Inspectors (PI). General inspection costs include the cost of translating inspection reports into Welsh. Programme

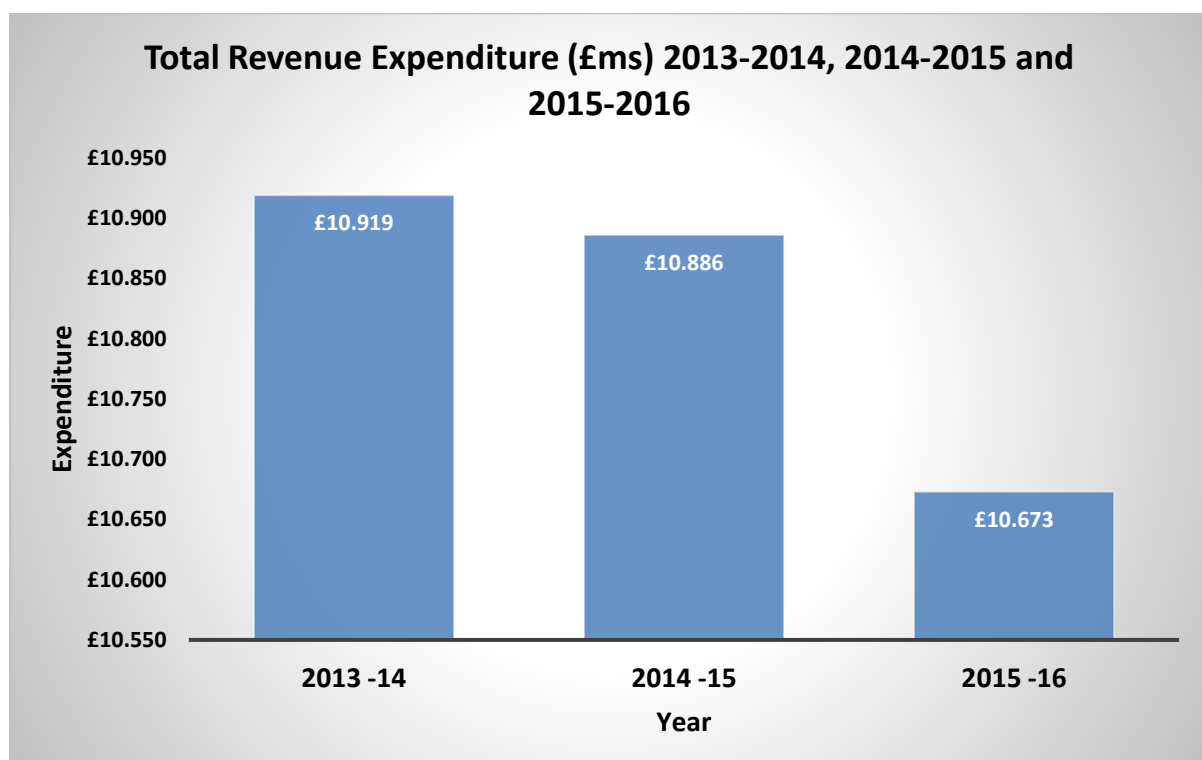
¹ Section 3 provides the financial statements and notes to the accounts.

expenditure in 2015-2016 was lower than the previous year in line with the year-to-year reduction in the number of core inspections.

The savings against the staff budget are mainly due to the time-lag in staff being able to take up posts which were vacated at the end of the previous financial year and other vacancies which also arose due to leavers within the current year. In order to minimise costs Estyn moved to a single recruitment point (spring) for inspection staff; a cadre of nine new permanent inspection staff took up posts in September 2015. In order to deliver our programme of inspections and other work we have set a threshold for the number of permanent HMI required and expenditure on staff costs is expected to increase in 2016-17 in line with the budget published in our Annual Plan 2016-17.

In August 2015, Estyn shadowed the pay award implemented by Welsh Government for its staff in April 2015. Despite an increase in pay rates, and with overall staffing numbers remaining broadly in line with the previous year, total expenditure on staff was lower than the previous year. However, a significant variance between years is that in 2014-15 we incurred £238k in respect of early departure costs for four staff who left Estyn at the end of March 2016 to facilitate a rebalancing of our in-house inspection skills. As in previous years, we continued to engage secondees from across the education sectors to work with us as Additional Inspectors; this has provided essential support to deliver our extensive programme of work. It has also provided budget flexibility, i.e. avoiding over-commitment to long-term expenditure at a time when there is uncertainty around future funding, and facilitated the transfer of skills and knowledge to help strengthen capacity across education providers.

The following graph shows the total resource outturn for the past three years and illustrates Estyn's commitment to curtailing expenditure during an ongoing period of public sector austerity.

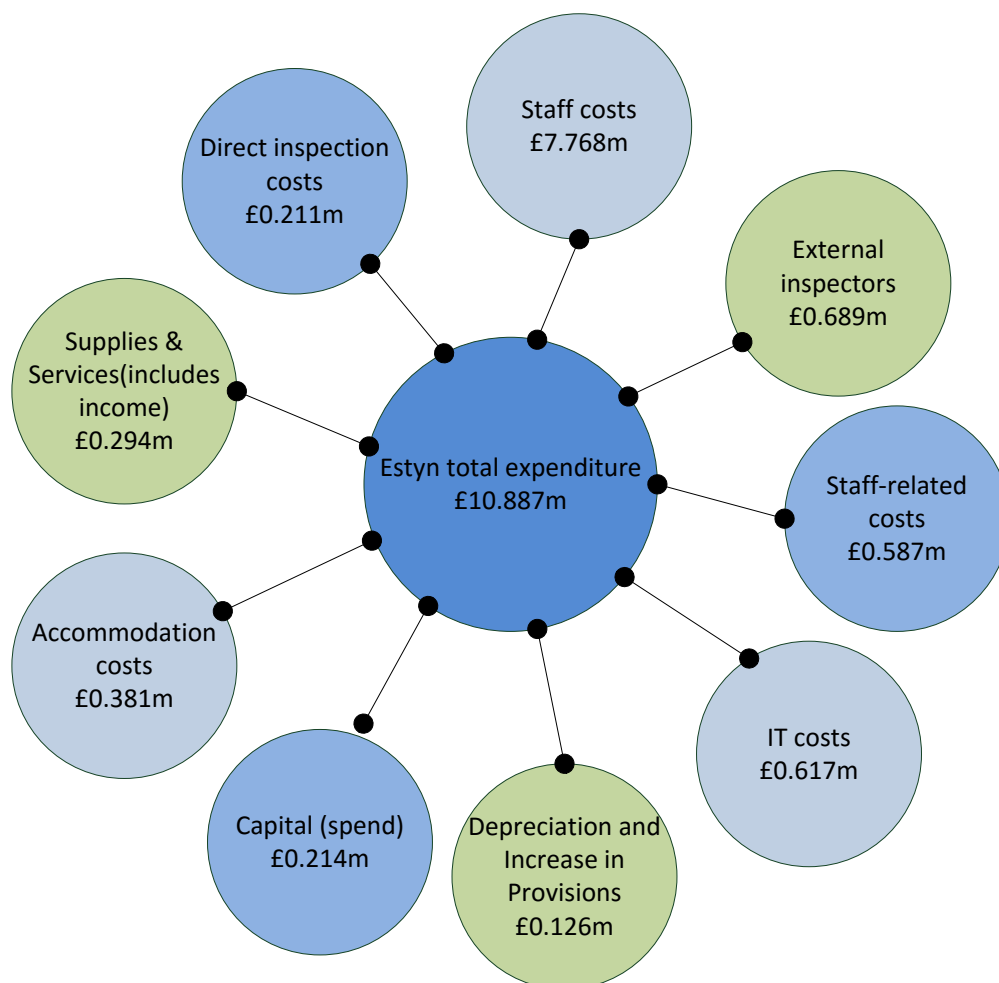


In 2015-2016, we used £214k of the £281k capital funding allocated to us by Welsh Government. The bulk of this expenditure was used to refresh the essential IT equipment used by our inspectors.

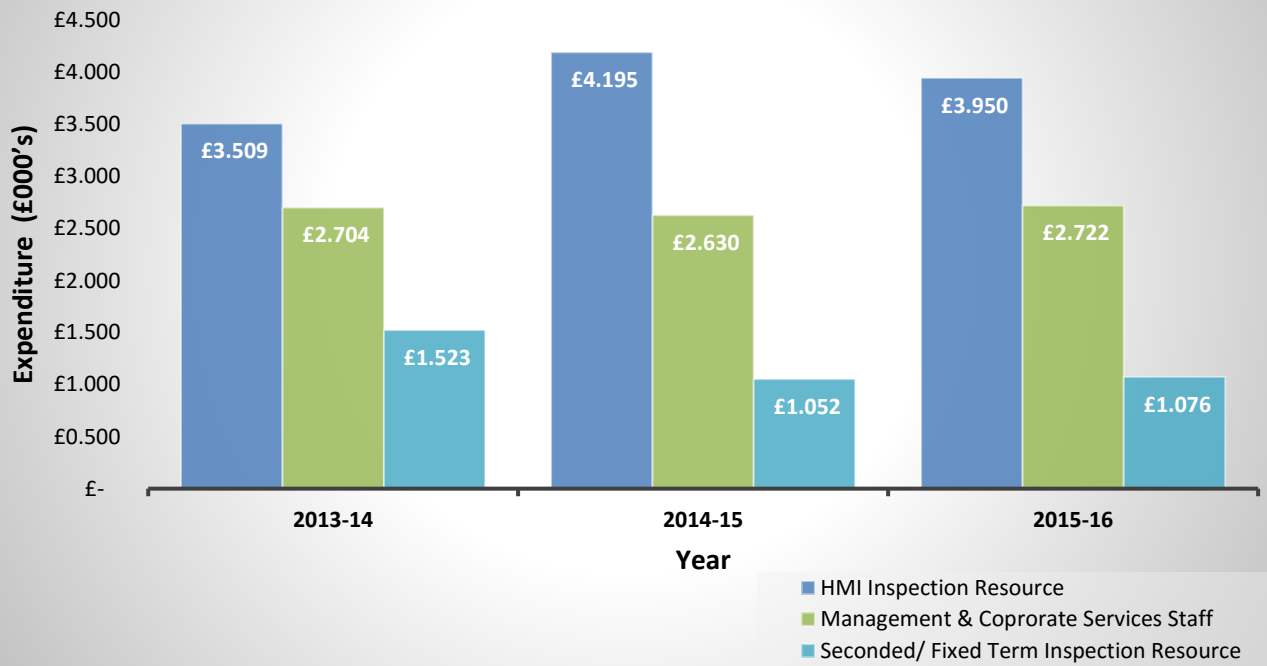
The Statement of Financial Position (SofFP) as at the year-end 31 March 2016 shows net liabilities £181k (2014-2015: £508k). It is usual for Estyn's SofFP to show a deficit position at the end of a financial year due to the high level of payables. Payables are a normal consequence of Estyn's arrangements for resourcing inspections with Peer Inspectors, Lay Inspectors and Additional Inspectors (including secondees) and result from the timing of the receipt of the invoice.

During 2016-2017, Estyn will receive funding from the Welsh Government to meet all of the above liabilities in line with the 'going-concern' basis adopted in the preparation of these financial statements.

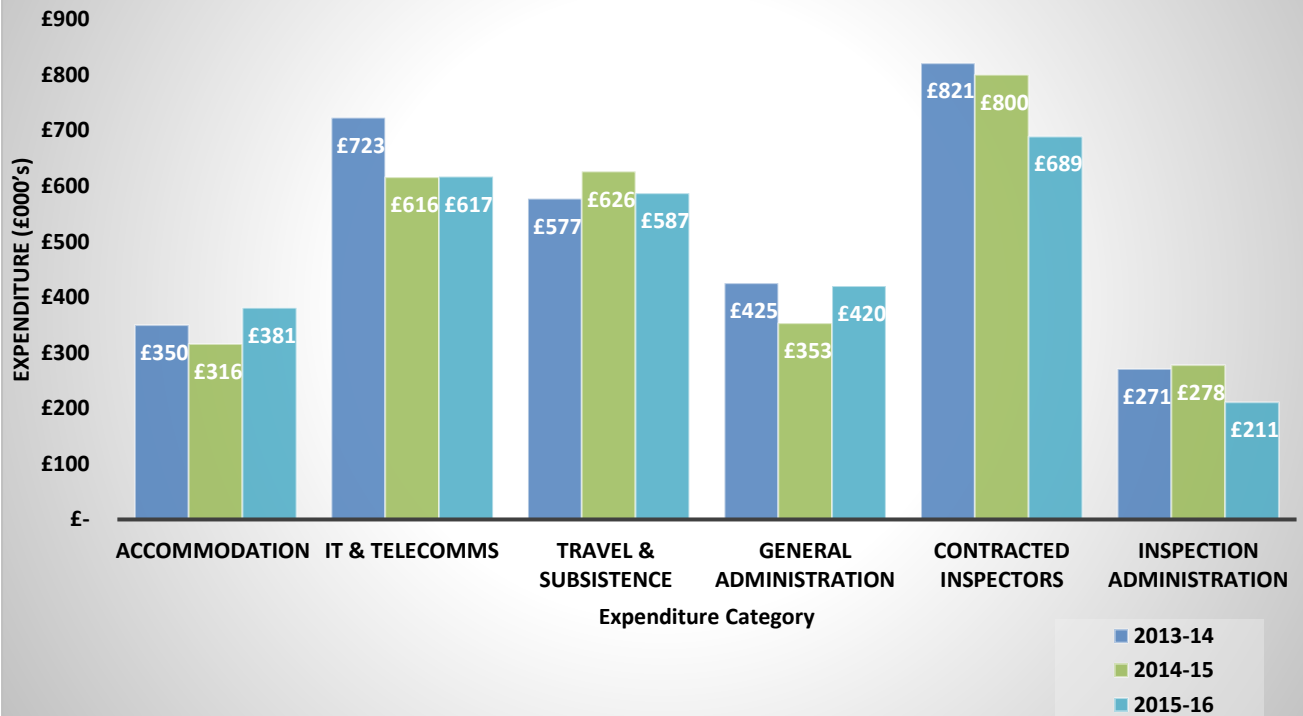
Total Expenditure Across All Budget Heads for 2015-2016



Expenditure on staff 2013-2014, 2014-2015 and 2015-2016



Non Staff Expenditure² Outturn 2013-2014, 2014-2015 & 2015-2016



² Excludes Capital Expenditure

Delivery principle 2: Work collaboratively with other inspectorates to support improvement

Estyn has continued to ensure that our joint and collaborative working is guided by a common vision and purpose agreed between the IAR bodies in Wales and the UK through Inspection Wales and the Heads of UK Inspectorates forum.

PI 19

We have supported the role of the Inspection Wales Project Manager through our financial contribution to the post. We also continued to develop approaches to information and knowledge sharing between Estyn and other IAR bodies to help ensure that intelligence is actively and promptly shared and used to support service improvement, inform policy making and strengthen public accountability, such as a joint IAR seminar on 4 February 2016. Here is a link to the [Joint Inspectorate Programme](#).

We co-ordinated our inspection activities, where appropriate, with those of the other IAR bodies so that they resulted in proportionate programmes of work that avoided duplication and ensured that key risks and concerns were examined, such as the remit on regional consortia and the involvement of Wales Audit Office inspectors on Estyn's teams for the inspection of regional consortia.

Estyn contributed to the work of the Welsh Government on its White Paper on Devolution, Democracy and Delivery – Reforming Local Government and contributed to CSSIW's Inspection Project Board on their development of a judgement framework for the inspection of care and social services. We ensured the effective co-ordination by Estyn and CSSIW of inspections of schools and colleges that have residential provision.

We worked with the Standing International Conference of Inspectorates (SICI) on plans for Estyn to host an international workshop in Cardiff in April 2016. Staff have attended SICI workshops in Serbia, Finland and Norway and presented at the home countries education inspectorates meetings in Manchester and London.

We have continued to work closely with Education Scotland, ETI (Northern Ireland) and Ofsted to share lessons learnt about new approaches to inspection. We worked closely with the Welsh Government, the Higher Education Funding Council for Wales (HEFCW), the Quality Assurance Agency (QAA) and the Education Workforce Council (EWC) to share information and discuss issues of mutual interest. We continued to liaise with the Home Office over matters related to the educational oversight of providers wishing to become a Tier 4 sponsor. We also contributed to the inspections of two youth offending teams (YOT), led by HMI Probation, two prisons led by HMI Prisons and one young person's secure unit led by CSSIW.

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.

A **Strategy Board**, consisting of executive members and non-executive members ([non-executive directors](#)), sets and monitors Estyn's strategic agenda. The Strategy Board has two sub-committees; the Estyn 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

Estyn maintains [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.

In line with good practice Estyn has a board level officer designated as Senior Information Risk Owner who is responsible for Estyn's information charter.

Throughout 2015-2016, Estyn's Information Governance Group monitored and reviewed information governance arrangements across the organisation and reviewed and updated policies under Estyn's [information governance framework](#). An internal audit of Information Governance undertaken in January 2016 provided substantial assurance that controls over information governance processes are suitably designed; some suggestions for improvement were identified and are being taken forward.

Payment policy

In 2015-2016, 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. This was achieved for 100% of all such payments made in 2015-2016 (2014-2015: 99.2% and 2013-2014: 99.4%).

PI 15

Statement of accounting officer's responsibilities

PI 13

PI 14

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).

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. Estyn has 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 2011 (The Code)**, within the context of Estyn's circumstances as a non-ministerial department, are reflected in [Estyn's governance arrangements](#).

This annual governance statement outlines how good governance has been maintained within Estyn 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. Estyn's corporate governance framework is published on our website. The diagram at Annex 1 of this statement succinctly illustrates the range and level of assurances which underpin Estyn's governance arrangements. A clear statement of Estyn's purpose and vision is set out on our website and in our Annual Plan. The Annual Plan outlines Estyn's overarching vision and sets out its principal aims and objectives. Information on Estyn's 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 2015-2016, the Strategy Board and the Audit and Risk Assurance Committee met on a quarterly basis and all meetings were attended in full by all members. In the second quarter of the year there was a smooth handover from the departing chair of the Audit and Risk Assurance Committee, Hadyn Edwards, to another highly experienced existing Estyn non-executive director, Rheon Tomos. Also in this quarter, two other serving members of the committee, Judith Fabian (co-opted member) and Arwel Thomas were respectively appointed and re-appointed as non-executive directors. The continuity provided by the above appointments has ensured that Estyn's 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 Estyn's executive.

Some of the key areas of review and discussion by the Strategy Board during 2015-2016 included:

- Estyn's Annual Plan, incorporating Estyn's Key Performance Indicators
- HMCI's Annual Report
- Estyn's contribution to Welsh Government initiatives, including the curriculum reform and New Deal
- Amendments to Estyn's cycle of inspections and development of future arrangements, including changes to Estyn's inspection framework

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 Estyn's whistleblowing arrangements are effective; no whistleblowing cases were raised in 2015-2016. Estyn's Whistleblowing Policy was reviewed during the year and reissued in August 2015, alongside updates to the Risk Management and Anti-fraud and Anti-bribery policies, with a reminder of the Civil Service Code and the standards of conduct expected of all Estyn staff.

As a result of structural changes within the Welsh Government, the Additional Accounting Officer role for Estyn was transferred to Andrew Goodall, Director General and Chief Executive Officer of NHS Wales. The link governance arrangement helps maintain Estyn's independence in training and education matters, although close links with the Department for Education and Skills continue to develop a strategic and coherent approach on key matters such as development of thematic reviews and other advisory work. During the year, non-executive directors met with Julie Rogers, Director of Workforce and Organisational Development, whose role is to represent Mr Goodall in his role as Estyn's Additional Accounting Officer within the Welsh Government. The meeting provided an opportunity to share views on governance processes and the key issues and challenges which Estyn faces.

Audit and impact

An annual report of the Chair of the Audit Risk and Assurance Committee (ARAC) is published on Estyn's website; the report highlights some of the work undertaken during the year and comments on the internal audit reviews undertaken and reported to the committee. The Chair's report for 2015-2016 provides assurances on the quality of audit work and the effectiveness of the committee. The committee remained satisfied that Estyn has appropriate arrangements for governance and has an effective risk management policy which is overseen by the Strategy Board. Non-executive directors serve on both the Strategy Board and ARAC.

In the second quarter of the year an extensive process was used to appoint RSM as Estyn's new internal audit service provider. The appointment has ensured continuity of a high-level professional service, as provided by the previous auditors (Deloitte) and has provided a different perspective and 'fresh' approach to audit activities. The ARAC approved the annual programme of audits for 2015-2016, continuing to use a risk-based approach to establish areas of coverage within a three-year audit

programme. 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 2015-2016 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 *'all assurance work undertaken during the year resulted in a positive opinion'*. 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. In addition to the internal audit programme reported in Table 1 below, Internal Audit also undertook a programme of unannounced compliance 'spot-checks' and Expense Claim validations – overall compliance was deemed to be good and there were no significant concerns raised during 2015-2016.

Table 1 2015-2016 internal audit programme					
Internal audit area	Assurance level	Number of enhancement actions agreed by management			
		High priority	Medium priority	Low priority	Total
Information Governance	Substantial	0	2	3	5
Key Financial Controls – Payroll	Substantial	0	0	0	0
Key Financial Controls – Budgetary	Substantial	0	0	2	2
Quality Assurance of Inspections	Substantial	0	0	3	3
Governance, Risk Management and Assurance	Substantial	0	1	3	4
Assets & Inventories	Reasonable	0	0	7	7
Total			3	18	21
Project Management	N/A Advisory audit				

Estyn's Remuneration Committee met three times (with all members in attendance) during 2015-2016 to consider the performance and remuneration of Estyn's senior staff, including HMCI. This committee also provided advice regarding proposals for Estyn's non-senior staff pay award; this pay award was effective from 1 August 2015, shadowed the award made for Welsh Government staff and was duly authorised by the First Minister.

Estyn has ensured compliance with all Welsh Dear Accounting Officer (DAO) letters; for example, Estyn has obtained appropriate assurances and evidence to confirm that the tax obligations of off-(Estyn) payroll staff, i.e. agency staff and secondees, have been duly met, as per DAO (Wales) 1/13. In February 2016 DAO (Wales) 01/16 was issued alongside an update to 'Managing Welsh Public Money' – Estyn has duly followed the latest guidance in ensuring regularity and propriety in expending public resources.

Estyn maintains [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.

Managing risk

Estyn's 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 2015-2016, risk registers continued to be maintained at a strategic level by the Executive Board, at a corporate level by Estyn's 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 – and there is an escalation process in place to raise risks to a higher level of management.

Annual assurance statements for 2015-2016 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 2015-2016. The internal audit of governance reviewed all assurance statements to examine the supporting evidence on which statements are based and made a minor recommendation to enhance the format of the statement. Estyn also received an assurance from the Welsh Government in respect of the payroll and human resources services it provides to Estyn under a formal service level agreement. At the annual review meeting to discuss the SLA Estyn raised some concerns with Welsh Government officials regarding the number of payroll errors experienced this year, but I am satisfied that necessary corrective actions were and continue to be taken.

The most significant risk Estyn continues to manage each year relates to resourcing core activities and new work streams in the context of diminishing funding from the Welsh Government. Implications of budget cuts have been clearly communicated to relevant colleagues within the Welsh Government and planning for future activities, including proposals for changes to Estyn's inspection arrangements, are predicated on additional funding not being available in the immediate future.

There are a number of other challenges that have remained from the previous year and will continue throughout the next year, including:

- **Delivering new work streams** – including representation on additional working groups arising from Welsh Government initiated reviews such as Donaldson

- **Delivering on-going efficiency savings to meet continuing budget reductions** – the Executive Board and Strategy Board have and will continue to regularly review the approach to potential budget scenarios and to assess the potential impact of any reductions on Estyn’s operations and the achievement of its objectives
- **Developing arrangements to ensure that the requirements of the new Welsh language standards are met** – assessing the impact in relation to the way Estyn delivers its work and implementing appropriate actions to mitigate the risk of failing to meet the standards, including providing additional Welsh language training opportunities for Estyn staff and developing bilingual internal systems and processes
- **Enhancing joint working undertaken with CSSIW** – developing arrangements and piloting joint inspections of Early Years in non-maintained nurseries
- **Developing Estyn’s new inspection framework and supporting processes and systems** – taking forward the NIA Project work in addition to delivering the existing programme of inspections, advice and improvement work.

Significant governance issues

No significant issues have been identified during the year in relation to Estyn’s overall governance framework. Internal audit reviews covered substantial areas of Estyn’s business and it is pleasing to report that there were no significant areas of control weaknesses identified and no high-priority recommendations that required management action. I am satisfied that specific opportunities for enhancing governance and internal controls that were identified as part of Estyn’s assurance processes have been duly reported to the Audit and Risk Assurance Committee and actioned by management. Estyn’s external scrutiny and assurance components were discussed by the Strategy Board during the year and adjustments made to the framework shown on page 42.

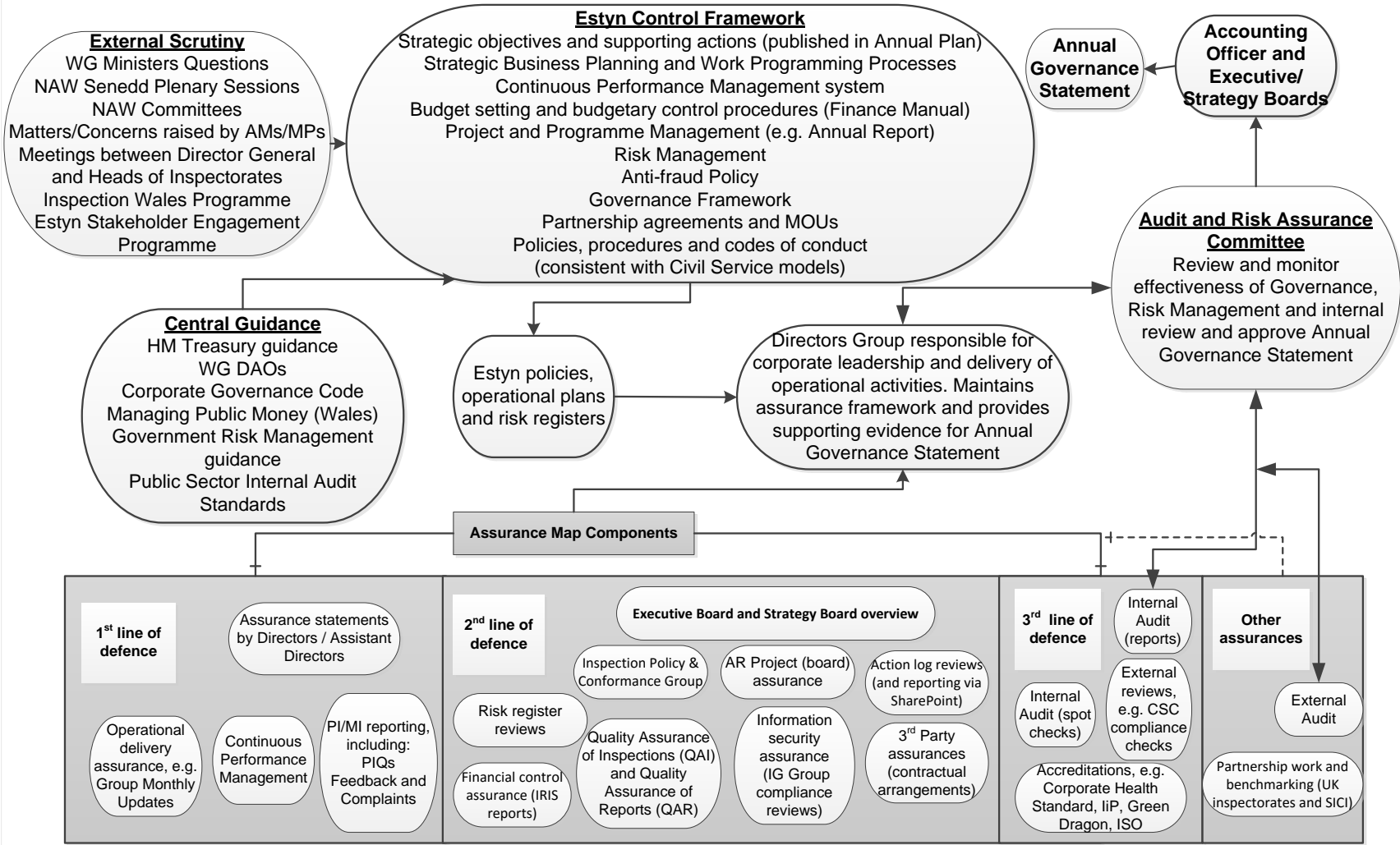
Having been appointed to the role of Accounting Officer on 1 June 2015 I have not been in post for the full financial year to which this statement applies but due to the timing of the annual Accounts this is nevertheless the second Governance Statement I have been responsible for. I have received good support in my Accounting Officer role from colleagues, including those staff appointed temporarily to director posts in order to provide continuity and an opportunity for me to reflect on management structures ahead of recruitment to permanent positions.

In 2015-2016, I believe Estyn remained a good place to work, a view that is borne out by the ongoing positive results of the annual Civil Service People Survey. Again it is particularly pleasing to report high levels of positive staff engagement, which I believe helps underpin good governance and signals the commitment by staff to Estyn’s values and the civil service code.

Meilyr Rowlands

Her Majesty’s Chief Inspector of Education and Training in Wales and Accounting Officer
7th July 2016

Estyn assurance and scrutiny framework arrangements



2.2 Remuneration and staff report

The remuneration of Her Majesty's Chief Inspector of Education and Training in Wales is determined by the National Assembly for Wales 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 Cabinet Office
- 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. As a result of the last Comprehensive Spending Review, Estyn has already reduced the number of its senior civil service posts from four to three by maintaining one post as vacant.

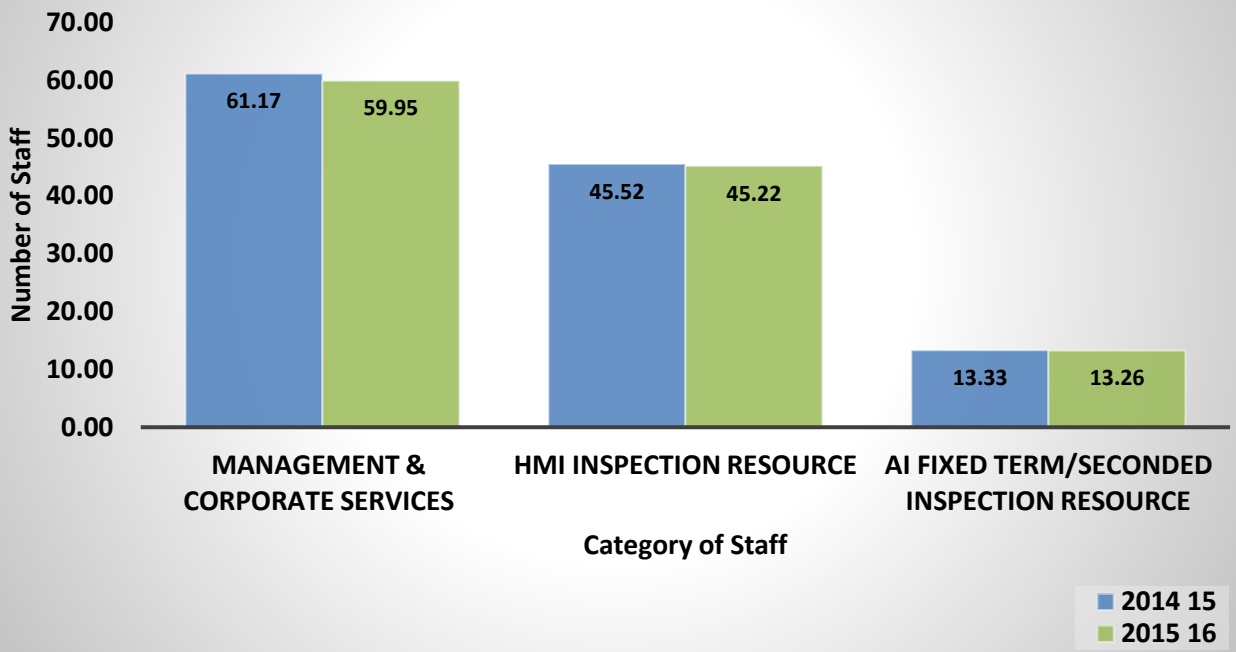
In agreeing pay awards for individual staff, the Estyn Remuneration Committee take particular regard of the following criteria:

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

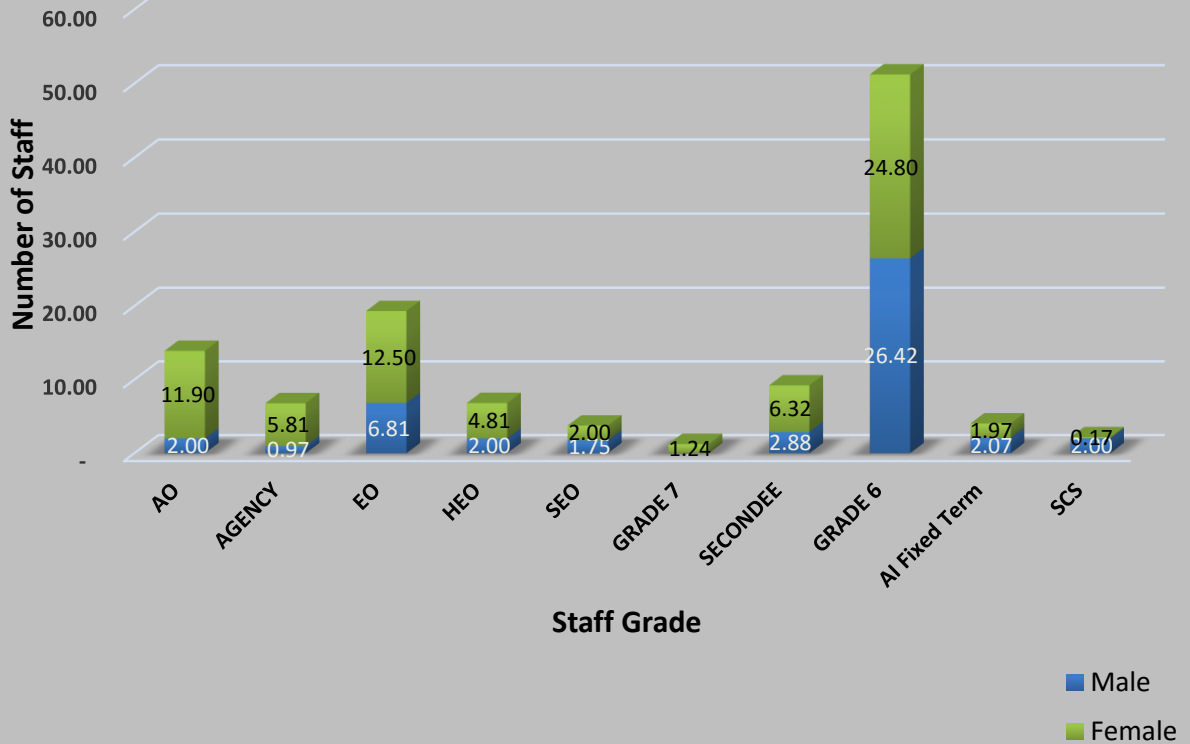
No SCS staff bonuses were paid in 2015-2016.

In line with the pay award for Welsh Government SCS officials (1st April 2015) Estyn SCS Band 1 officials were awarded a consolidated pay uplift of 2% effective from 1st August 2015 to 31 March 2017.

Average whole-time equivalent persons employed by staff category 2014-2015 and 2015-2016



Average whole-time equivalent persons employed



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

Year	Permanently employed staff	Others ⁴	Total staff
2015-16	98	20	118
2014-15	99	21	120

Staff Sickness rates are as follows:

Headline staff measures		
Measure	2015-2016	2014-2015
Sickness absence rate	3.6% (a)	3.6%
Proportion of staff accruing sickness absence	52%	52.8%
Average working days lost per employee	7.4 days (b)	7.5 days
Average length of absence	8.4 days	7.3 days
Sickness absence occurrences	110 occurrences	128 occurrences

Note: if we exclude one member of staff who was on nil pay due to long-term absence for the whole of 2015-2016, these measures would be (a) 2.7% (b) 5.4 days.

PI 11

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: www.civilservicecommission.independent.gov.uk.

⁴ Other staff refers to secondees, fixed-term contract staff and agency staff.

Remuneration (including salary) 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 and payments in kind) ⁵

Officials	2015-2016					2014-2015				
	Salary £000's	Non-Consolidated Performance Pay £000's	Benefits in kind (to nearest £100)	Pension benefits to nearest £1,000 ⁶	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 (1 June 2015 onwards)	90-95	-	-	311	400-405	-	-	-	-	-
Meilyr Rowlands Strategic Director (April & May 2015)	10-15	-	-	-	15-20	75-80	-	-	19 ⁷	85-90
Ann Keane Her Majesty's Chief Inspector of Education & Training in Wales (to 31 May 2015)	15-20	-	-	-	15-20	110-115	-	-	-	110-115
Simon Brown Strategic Director	75-80	-	-	32	105-110	75-80	-	-	28	100-105
Claire Morgan Acting Strategic Director (from 1 June 2015)	65-70	-	-	26	90-95	N/A				
Band of Highest Paid Director's Total Salary	110-115					110-115				
Median total	£60,050					£60,050				
Ratio using the mid-point of salary band	1.87					1.87				
Range of staff remuneration	£17,200 - £110,000					£17,200 - £112,200				

⁵ Audited

⁶ 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)

⁷ Restated from 2014-2015 figures due to retrospective update to salary data.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on 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 the employer and treated by HM Revenue and Customs as a taxable emolument.

Pension benefits⁸

Pension benefits for current employees in the pension scheme.

Officials	Accrued pension at pension age as at 31/3/16 and related lump sum £000's	Real increase/ (decrease) in pension and related lump sum at pension age £000's	CETV at 31/3/16 £000's	CETV at 31/3/15 £000's	Real increase/ (decrease) in CETV in CETV £000's	Employer contribution to partnership pension account nearest £100
Meilyr Rowlands ⁹ Her Majesty's Chief Inspector of Education & Training in Wales (1 June 2015 onwards)	45-50 plus lump sum of 145-150	12.5-15 plus lump sum of 40-42.5	1,074	721 ¹⁰	296	-
Simon Brown Strategic Director	40-45 plus lump sum of 70-75	0-2.5 plus lump sum of 0-2.5	902	813	32	-
Claire Morgan Acting Strategic Director (1 st June 2015 onwards)	10-15	0-2.5	193	165	1	-

⁸ audited

⁹ Pension figures per person are stated for all posts occupied in the year.

¹⁰ restated

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: 3 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 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of 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 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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

No member of staff left under a Voluntary Exit Scheme or under former Compulsory, Flexible or Approved Early Retirement terms.

Meilyr Rowlands

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

7th July 2016

2.3 Accountability and audit report

The Certificate and Report of the Auditor General for Wales to Estyn: Her Majesty's Inspectorate for Education and Training in Wales.

I certify that I have audited the financial statements of Estyn: Her Majesty's Inspectorate for Education and Training in Wales for the year ended 31 March 2016, 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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 and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to Estyn's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by Estyn; and
- the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the Annual Report 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 certificate and report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of Estyn's affairs as at 31 March 2016 and of its net cash requirement, net resource out-turn and net operating cost, for the year then ended; and
- have been properly prepared in accordance with HM Treasury directions issued under the Government of Wales Act 1998.

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 National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government of Wales Act 1998; and
- the information in the Annual Report is consistent with the financial statements.

Matters on which I report by exception

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

- the Governance Statement does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
13th July 2016

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Section 3: Financial statements

Estyn Annual Accounts 2015-2016 (International Financial Reporting Standards – IFRS)

3.1 Statement of comprehensive net expenditure for the year ended 31st March 2016

		2015-2016			2014-2015
	Note	Budget	Actual Outturn	Net Total Outturn compared with Estimate (saving)/excess	(Restated) Prior Year Outturn
		£000's	£000's	£000's	£000's
Resources:					
Staff costs	3	8,250	7,768	(482)	7,897
Depreciation	6&7	400	106	(294)	52
Other costs	4	3,014	2,801	(213)	2,938
Gross Operating Costs		11,664	10,675	(989)	10,887
Operating income	5	-	(2)	(2)	(1)
Net Operating Expenditure for the Year		11,664	10,673	(991)	10,886

Net expenditure is reported as a single segment in line within Estyn's Annual Plan 2015-2016 (available at www.estyn.gov.wales).

The notes on pages 58 to 68 form part of these accounts.

3.2 Statement of financial position as at 31st March 2016

	Note	31st March 2016		31st March 2015	
		£000's	£000's	£000's	£000's
Non-current assets					
Property, plant and equipment	6	139		46	
Intangible assets	7	15		-	
Total non-current assets			154		46
Current assets					
Trade and other receivables	9	115		154	
Cash and cash equivalents	10	647		694	
Total current assets			762		848
Total assets			916		894
Current liabilities					
Trade and other payables	11	(942)		(1,267)	
Provisions within one year	12	-		(135)	
Total current liabilities			(942)		(1,402)
Total assets less current liabilities			(26)		(508)
Non-current liabilities					
Provisions:					
Between two and five years	12	(155)		-	
Total non-current liabilities			(155)		-
Assets less liabilities			(181)		(508)
Tax Payers' Equity		(181)		(508)	
Total Tax Payers Equity			(181)		(508)

The notes on pages 58 to 68 form part of these accounts.

Meilyr Rowlands

Her Majesty's Chief Inspector of Education and Training in Wales and
Accounting Officer
7th July 2016

3.3 Statement of cash flows for the year ended 31st March 2016

	Note	2015- 2016 £000's	2014- 2015 £000's
<u>Cash flow from operating activities</u>			
Net operating cost		(10,673)	(10,886)
Adjustments for non-cash transactions:			
Depreciation	6&7	106	52
Other costs (provision)	4	20	3
Increase / (decrease) in trade and other payables	11	(325)	84
(Increase) / decrease in trade and other receivables	9	39	21
Less movements not passing through the Statement of Comprehensive Net Expenditure			
Capital creditors		-	(12)
Use of provisions		-	(6)
Net cash outflow from operating activities		(10,833)	(10,744)
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment	6	(192)	(9)
Purchase of Intangible Assets	7	(22)	-
Net cash flow from investing activities		(214)	(9)
<u>Cash flows from financing activities</u>			
Net financing (from the Welsh Government)		11,000	10,500
Net (decrease) in cash and cash equivalents	10	(47)	(253)
Cash and cash equivalents at the beginning of year	10	694	947
Cash and cash equivalents at the end of the year	10	647	694

The notes on pages 58 to 68 form part of these accounts.

3.4 Statement of changes in taxpayers' equity for the year ended 31st March 2016

Changes in taxpayers' equity	2014-2015 £000's
Balance as at 31 March 2014	(122)
Net operating cost for the year	(10,854)
Auditors Remuneration	<u>(32)</u>
Total recognised income and expense for 2014-2015	<u>(10,886)</u>
Net Welsh Government funding	10,500
Balance at 31 March 2015	<u>(386)</u> (508)
Changes in taxpayers' equity	2015-2016 £000's
Balance at 31 March 2015	(508)
Changes in taxpayers' equity for 2015-2016	
Net operating cost for the year	(10,643)
Auditors Remuneration	<u>(30)</u>
Total recognised income and expense for 2015-2016	<u>(10,673)</u>
Net Welsh Government funding	<u>11,000</u>
Balance at 31 March 2016	<u>327</u> (181)

The notes on pages 58 to 68 form part of these accounts.

3.5 Notes to the departmental resource accounts

1 Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2015-2016 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 2015-2016 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.

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). In the opinion of Estyn, 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 provisions included within these accounts are regarded as short term and are subject to annual review.

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. There were no early departures in 2015-2016.

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 2016-2017 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	2015-2016 Budget £000's	2015-2016 Outturn £000's	Outturn compared with estimate (saving) / excess £000's	2014-2015 £000's
Resource Outturn		11,264	10,673	(591)	10,886
Capital Outturn	6&7	281	214	(67)	21
Accruals to cash adjustments:					
Adjustments to remove non-cash items:					
Depreciation	6&7	(400)	(106)	294	(52)
New provisions and adjustments to previous provisions	12	-	(20)	(20)	(3)
Adjustments to reflect movements in working balances:					
Increase/(decrease) in receivables	9	-	(39)	(39)	(21)
(Increase)/decrease in payables	11	-	325	325	(84)
Use of provisions	12	-	-	-	6
Net cash requirement		11,145	11,047	(98)	10,753

3 Staff costs consist of:

	Total 2015- 2016 £000's	Permanently employed staff £000's	Others £000's	2014-2015 (Restated) £000's
Wages and salaries	4,901	4,901		4,844
Social security costs	469	469		472
Other pension costs	1,069	1,069		1,016
Total net costs	6,439	6,439		6,332
Plus:				
Secondees in	744	-	744	702
Secondees out	¹¹	-	-	(16)
Agency staff	214	-	214	272
Fixed Term Contract	350	-	350	351
NEDs costs*	20	-	20	18 ¹²
Early departure costs –in-year	1	-	1	238
Total	7,768	6,439	1,329	7,897

* Individual details in the table below

Payments to NEDs for 2014-2015 and 2015-2016		
Name	2015-16 Total £000's	2014-15 Total £000's
H Edwards	3	9
J Fabian	6	1
A Thomas	5	4
R Tomos	6	4
Total	20	18

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 scheme but Estyn is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2015-16, employers' contributions of £1.069m were payable to the PCSPS (2014-15 £1.016m) at one of four rates in the range 20.0% to 24.5% 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 2015-16 to

¹¹ Recovery of costs of staff seconded from Estyn to Welsh Government.

¹² Accounts restated to include NED costs in Staff costs (Note 3) and not non staff costs (Note 4) as previously reported for 2014-2015.

be paid when the member retires and not the benefits paid during this period to existing pensioners.

4 Other costs

	2015-2016 £000's	2014-2015 (Restated) £000's
Rental under operating leases: accommodation	131	132
Other accommodation costs	250	184
IT & telecommunications	617	616
Welsh Government central services	13	19
Travel and subsistence	587	626
Auditor's remuneration – audit of accounts	30	32
General administration expenditure	253	248 ¹³
Non-cash items:		
- change in provision for accommodation dilapidation	20	3
- tangible asset depreciation	99	52
- intangible asset depreciation	7	-
	2,007	1,912
Less: Operating income (Note 5)	(2)	(1)
Subtotal: Net administration costs	2,005	1,911
Post 16 education inspections and associated costs	8	21
School inspections and associated costs	672	750
General inspection related costs	211	278
Remit costs	9	29
Subtotal: Programme costs	900	1,078
Total other costs	2,905	2,989
Total Other costs without Income and depreciation	2,801	2,938

5 Income

	2015-2016 £000's	2014-2015 £000's
Income		
- registration fees	(2)	(1)
Total	(2)	(1)

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

¹³ Figure restated from originally reported in 2014-15 to exclude NED costs which are now shown separately in Staff costs in Note 3.

6 Property, plant and equipment

	IT systems	IT equipment	Furniture & fittings	Office equipment	Total
	£000's	£000's	£000's	£000's	£000's
Cost or valuation					
At 1 April 2015	196	692	246	90	1,224
Additions	-	192 ¹⁴	-	-	192
Disposals	-	(135)	(3)	(81)	(219)
At 31 March 2016	196	749	243	9	1,197
Depreciation					
At 1 April 2015	196	652	240	90	1,178
Charged in year	-	98	1	-	99
Disposals	-	(135)	(3)	(81)	(219)
At 31 March 2016	196	615	238	9	1,058
Carrying amount					
At 31 March 2016	-	134	5	-	139
At 1 April 2015	-	40	6	-	46

¹⁴ Purchase of mobile phones and laptops

7 Intangible assets

	Software	DVD	Total
	£000's	£000's	£000's
Cost			
At 1 April 2015	11	109	120
Additions	-	22 ¹⁵	22
At 31 March 2016	11	131	142
Depreciation			
At 1 April 2015	11	109	120
Charged in year	-	7	7
At 31 March 2016	11	116	127
Carrying amount			
At 31 March 2016	-	15	15
At 1 April 2015	-	-	-

¹⁵ Production of inspection training DVDs

8 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 is therefore exposed to little credit, liquidity or market risk. 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.

9 Trade and other receivables

9a Analysis by type

	At 31 st March 2016 £000's	At 31 st March 2015 £000's
Amounts falling due within one year:		
Other receivables	27	46
Prepayments and accrued income	88	108
Total	115	154

9b Intra-Government balances

	At 31 st March 2016 £000's	At 31 st March 2015 £000's
Amounts falling due within one year:		
Balances with other central government bodies	26	46
Balances with bodies external to government	89	108
Total	115	154

10 Cash and cash equivalents

	2016 £000's	2015 £000's
Balance	694	947
Net change in cash and cash equivalent balances	(47)	(253)
Balance at 31st March	647	694

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 2015 and 31st March 2016:

	At 31 st March 2016 £000's	At 31 st March 2015 £000's
Balances at Citi Bank	¹⁶	694
Balances at NatWest	647	-
	647	694

11 Trade and other payables

11a Analysis by type

	At 31 st March 2016 £000's	At 31 st March 2015 £000's
Amounts falling due within one year		
Trade payables	122	190
Payroll funding	229	220
Accruals & deferred income	591	857
	942	1,267

11b Intra-Government balances

	At 31 st March 2016 £000's	At 31 st March 2015 £000's
Balances with other central government bodies	39	53
Balances with local authorities	254	178
Balances with bodies external to government	649	1,036
Total	942	1,267

¹⁶ Estyn no longer has a Citi Bank account following the Government Banking Service's reorganisation of accounts during 2015-2016.

12 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	Total
	£000's	£000's
Balance at 1 April 2015		
- Within one year	135	135
- Between two and five years	-	-
- After five years	-	-
Increase/(Decrease) in provision	20 ¹⁷	20
Amounts utilised in the year	-	-
Remaining provision:	155	155
- Within one year	-	-
- Between two and five years	155	155
- After five years	-	-
Total provision as at 31st March 2016	155	155

13 Capital commitments

There are no capital commitments as at 31st March 2016.

14 Commitments under leases

Operating leases

	2016 £000's Land & Buildings	2015 £000's Land & Buildings
At 31 March Estyn was committed to making the following payments during future years in respect of operating leases expiring:		
- within one year	96	86
- between two and five years ¹⁸	532	-
- after five years	-	-
	628	86

IFRS16 issued in January 2016 but not effective until January 1 2019, requires that all leases with a lease term of more than 12 months be recognised as assets and liabilities in financial statements. It is not yet known if this standard will be adopted within the FrEM but if it had been for 2015-16, there would have been an increase in both assets and liabilities of £627k.

¹⁷ Increase in provision following updated quote from Surveyor.

¹⁸ Lease renewed for office accommodation.

15 Other commitments

Estyn has not entered into any non-cancellable contracts (which are not operating leases) as at 31st March 2016 (there were no non-cancellable contracts as at 31st March 2015).

16 Contingent liabilities

There were no contingent liabilities at the end of 2015-2016 (there were no contingent liabilities as at 31st March 2015).

17 Related party transactions

Estyn has had a small number of material transactions during the year with the Welsh Government and the following Government organisation that is regarded as a related party:

- Wales Audit Office

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

18 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.

Annex 1: Glossary of acronyms used in this report

ACL	Adult community learning
ADEW	Association of Directors of Education in Wales
AI	Additional Inspector
ARAC	Audit Risk and Assurance Committee
BACS	Bankers' Automated Clearing Services
CETV	Cash Equivalent Transfer Value
CiF	Common inspection framework
CSSIW	The Care and Social Services Inspectorate Wales
DfES	The Department for Education and Skills
DPA	Data Protection Act
ETI	Education and Training Inspectorate (Northern Ireland)
EWC	Education Welfare Council
FOI	Freedom of Information
FReM	Financial Reporting Manual
GBS	Government Banking Service
HEFCW	The Higher Education Funding Council for Wales
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
ITET	Initial teacher education and training
LALI	Local authority link inspector
NED	Non-Executive Director
NTFW	National Training Federation for Wales
Ofsted	Office of Standards in Education (England)
PCSPS	Principal Civil Service Pension Scheme
PI	Performance Indicator
PRU	Pupil referral unit
QAA	The Quality Assurance Agency for Higher Education
SEP	Strategic Equality Plan
SICI	Standing International Conference of Inspectorates
VAT	Value Added Tax
WAO	The Wales Audit Office
WBL	Work-based learning
WfA	Welsh for Adults
YOT	Youth Offending Teams