

Annual report and accounts

2020-2021

An Executive Agency of the Scottish Government

Laid before the Scottish Parliament by the Scottish Ministers

Annual accounts authorised for issue

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CHIEF EXECUTIVE'S STATEMENT

In what has been an incredibly challenging time for all, Education Scotland has had to demonstrate flexibility as an organisation to support learning throughout the COVID-19 pandemic. This report highlights the range of work we have undertaken and summarises our performance for the year. I would like to take this opportunity to thank everyone involved in Scottish education for their tireless efforts over this challenging year.

When we entered this financial year, the UK's first period of lockdown due to COVID-19 had just begun. As the nation suddenly adapted to working from home, Education Scotland also had to quickly anticipate the challenges ahead for the education sector. As schools closed their doors, remote learning and teaching became the typical practice for practitioners and learners. This swift move to a totally different delivery model meant that those working in education had to adapt to a new way of working very quickly, while ensuring learners continued to achieve. Over the coming months this would result in Education Scotland pivoting away from our published corporate plan to a refreshed version to ensure we could continue to lead and support the system.

I am very proud to share our Annual Report and Accounts. The evidence demonstrates the wide ranging and often exceptional activities undertaken by Education Scotland to support children, young people, teachers and other education practitioners in creating and experiencing excellent education in extraordinary circumstances.

It has required enormous adaptability from our staff, who have designed and led webinars, supported remote learning, provided bespoke and targeted support to schools, local authorities and Regional Improvement Collaboratives, supported the rapid and ongoing evolution of learning and teaching and found new ways to evaluate impact and performance.

While it has not been easy, the creative solutions, positive mind-set and commitment of colleagues across the education sector has been a key inspiration for me personally throughout this year. When we asked stakeholders for stories of what they had learned from the first lock-down, we were overwhelmed by so many fantastic case studies - from online music lessons and family learning activity packs to an online fashion show. In fact the stories were so good, we've turned them into a book – [‘What Scotland Learned’ – 100 stories of lockdown learning](#).

As our programme of inspections was paused, HMI colleagues refocused to work in partnership with colleagues from across the wider organisation to provide bespoke support to individuals, schools and local authorities. Additionally, they helped identify and share information on what was and was not working, through the National Overviews of Practice.

We moved to on an online delivery model for our wide range of professional learning and leadership activity. Feedback from programme participants continued to be highly positive, for example, an incredible **99% of attendees** were satisfied with our Teacher Leadership programme and reported an increase in confidence as a result of their learning. Education Scotland also continued to deliver, and further enhance, GLOW, our online learning platform, to support and sustain continued learning and teaching and provided wider support for Headteachers and schools.

Through the development of the National e-Learning Offer (NeLO), we co-ordinated the provision of **16,000 learning and teaching resources**, with recorded, live and supported lessons all being made available to teachers across Scotland. We delivered 218 webinars which were attended by **12,000 practitioners** and some of my colleagues enjoyed delivering lessons on e-Sgoil to provide additional support and capacity there. I got to experience a live lesson through e-Sgoil myself when I dropped into a Higher Maths class.

The knowledge, work and activity of teams right across the organisation, have helped ensure I have robust, current information on how the sector is coping and where additional support may be required. This has helped me in my role as Chief Education Advisor to the Scottish Government, to influence and inform policy and actions, based on feedback from those actually supporting and educating learners across Scotland.

Of course, there are always areas where more work is required. We need to build on the strong legacy of the last year and keep learning from what we achieved; we need to keep looking for opportunities to approach learning and teaching in new and innovative ways; and we need to work relentlessly to ensure that all our children and young people have the same access to learning opportunities, including digital technologies.

Additionally, of course, we have the benefit of the OECD (Organisation for Economic Co-operation and Development) [report](#), published in June 2021, and the Scottish Government's early response to the recommendations of that report; which includes a clear commitment to reform both Education Scotland and replace the Scottish Qualifications Authority. Education Scotland will be ready to work with Professor Ken Muir on how Education Scotland, and the wider system, can change to better reflect the needs of learners.

This year's Annual Report and Accounts tell the story of a very challenging year, and the dedication and commitment of all in education is to be commended. I will close by again paying tribute to the most important characters in this pandemic story – the children and young people of Scotland whose resilience through this difficult time has been an inspiration to all.



◀ **Gayle Gorman**
HM Chief Inspector of
Education and Chief
Executive of Education
Scotland

PERFORMANCE REPORT

Overview

In this part of the performance report, we present an overview of Education Scotland, our activities and the main risks and challenges facing us. We also include a performance summary which sets out our most significant achievements in financial year 2020/21.

About Education Scotland

Status, activities and staffing

Education Scotland is the national improvement agency for education in Scotland. We were established in July 2011 as an Executive Agency of Scottish Government under the terms of the Scotland Act 1998. Scottish Ministers have charged us with supporting quality and improvement in Scottish education and thereby securing the delivery of better learning experiences and outcomes for learners of all ages. To achieve these aims, we work in the following ways across education sectors, and at national, regional, local and establishment levels:

- Providing professional learning and leadership programmes.
- Providing improvement support, including face to face and digital resources.
- Carrying out scrutiny activity, including inspection and review.
- Managing the development of national digital resources, including Glow, our online learning platform, which provides a safe environment for educators, learners and parents to communicate, and collaborate.
- Providing independent policy advice to Ministers and civil servants, informed by our evidence.

Our status as an Executive Agency means that we operate independently and impartially, whilst remaining directly accountable to Scottish Ministers for the standards of our work. This status safeguards the independence of inspection, review and reporting within the overall context of the National Improvement Framework.

Improvements in the education sector impact on the wider community. We actively engage with health, social services and other partners to provide integrated services to improve learners' wellbeing and opportunities.

Education Scotland employed 369 staff (348.72 Full Time Equivalent) as of 31 March 2021.

Purpose and activities

Our vision is achieving excellence and equity for Scotland's learners, with Scotland's educators.

Our mission is to work in partnership with all stakeholders involved in Scottish education to secure sustained improvement in achievement and attainment for all learners, closing the poverty-related attainment gap, and securing positive and sustained destinations for all learners, regardless of their age and where the learning takes place.

Our values are: Integrity; Respect; Excellence and Creativity.

Social, community and human rights

Everything we do is designed to contribute to the Scottish Government's national purpose of creating a more successful country with opportunities for all to flourish through increased wellbeing, and sustainable and inclusive economic growth. Our work in improving quality, effectiveness and equality in education contributes to the following National Outcomes:

That people:

- Grow up loved, safe and respected so that we realise our full potential.
- Are well educated, skilled and able to contribute to society.
- Tackle poverty by sharing opportunities, wealth and power more equally.
- Have thriving and innovative businesses, with quality jobs and fair work for everyone.
- Live in communities that are inclusive, empowered, resilient and safe.
- Respect, protect and fulfil human rights and live free from discrimination.

Strategy and business model

In April 2019, we published our Corporate Plan, which sets what we aim to achieve up until 2022. The Plan is focused around five strategic priorities.

- A strong focus on learning, teaching and leadership.
- National collaborative professional learning networks.
- Getting it right for every child.
- Best use of high quality evidence.
- Effective partnerships.

However, in response to the COVID-19 pandemic, Education Scotland pivoted to meet the unanticipated challenges of the year and implemented a refreshed strategic focus with the express aim of supporting recovery, quality, improvement in Scottish education and thereby securing the delivery of better learning experiences and excellence and equity for Scottish Learners.

Refreshed Aim and Outcomes

In the spring of 2020, and in light of the COVID-19 pandemic, Education Scotland revised its Corporate Plan to set out a renewed aim, outcomes, priorities and activities which were required in this new and unanticipated context. The [Refreshed Corporate Plan](#) sets out our new aim and outcomes in detail; however, it is appropriate to consider them briefly here also.



We are well educated, skilled and able to contribute to society.



We grow up loved, safe and respected so that we realise our full potential.



We live in communities that are inclusive, empowered, resilient and safe.

OUR AIM

Supporting recovery, quality, and improvement in Scottish education and thereby securing the delivery of better learning experiences and excellence and equity for Scottish learners.

OUR OUTCOMES FOR 2020/21

The profession feels supported, engaged, and has a strong sense of agency.
The profession has a strong focus on high quality curriculum, with improved and widened pedagogies across Scotland.
Stakeholders are confident in how well the education system is responding to recovery.
Scotland's children and young people experience a safe return to full-time education.
The education system is responsive and able to move into/out of lockdown smoothly if/as required.

PRIORITY THEMES

System Leadership
Collaboration
Education support and improvement
Professional learning

PEOPLE

Professional Learning and Leadership programmes
Glow
National e-learning programmes
Scotland Learns
Blethers, Webinars and Online Events

PLACE

Targeted, bespoke support and improvement on a locality basis
Learning from and with the system to ensure progress with recovery

People and Place

To deliver on this aim and the outcomes, Education Scotland organised its work under two broad headings: **People** and **Place**.

People

Our focus on people includes a strong national support and improvement offer, accessible to all practitioners, and includes support for remote learning through the National e-Learning Offer (“NeLO”). Our focus on People also includes professional learning and leadership opportunities, which have largely been delivered online owing to the context of this reporting year, and providing direct support for practitioners.

Place

Through Education Scotland’s focus on Place, Education Scotland has provided direct support targeted at the school, community, local authority and regional levels. Working with education specialists, including HMI, across the Regional Improvement Collaboratives (RICs) to provide the right blend of expertise needed by schools and services, directly supporting teachers and practitioners, during this challenging year has been an important focus of our work.

Supporting our People

In the same way that Education Scotland pivoted to support learners, educators, and parents, Education Scotland also recognised the challenges faced by our own staff during the COVID-19 pandemic. Additionally, following Scottish Government advice, Education Scotland’s offices have been closed throughout the year; meaning that all staff have been working from home. In order to support Education Scotland colleagues, a number of activities have been undertaken and are briefly summarised here.

Colleagues were supplied with office equipment and hardware (such as desks and monitors) as required in order to support colleagues work from home safely and effectively.

The HR and Organisational Development Team (HR & OD) conducted wellbeing conversations from April 2020 to August 2020. These one-to-one conversations were used as a vehicle to highlight to staff the support and advice available to all colleagues and to provide one-to-one advice as appropriate.

From August 2020, monthly wellbeing updates were conveyed to staff as an e-bulletin which covered different wellbeing themes (such as managing stress and keeping active). Education Scotland also successfully retained its Gold award for Healthy Working Lives.

The HR & OD team have hosted HR Surgeries and Big Blether sessions which have been focused on ‘Coping with Change’, drawing on how we make sense of our current experience and develop effective coping mechanisms. There have also been sessions to support line managers around framing discussions around wellbeing, with advice on how to have effective wellbeing conversations, signposting to internal and external resources.

Risks and Issues

Like most organisations, Education Scotland has had to demonstrate flexibility as an organisation and be alive to business continuity risks due to the COVID-19 pandemic in order to effectively manage and mitigate the risks and issues that threaten delivery of our strategic priorities. Our Leadership Team refocused Education Scotland's priorities for 2020-21 so that resources could be redirected to support national and local priorities. The Education Scotland risk register was also reviewed through the lens of the COVID-19 pandemic, with the support of two of our Non-Executive Board Members. Information about the key risks identified and managed during the reporting year is provided below.

In addition, towards the end of the reporting period, the Cabinet Secretary for Education and Skills announced a number of education reforms, including plans to replace the Scottish Qualifications Authority (SQA) and reform Education Scotland. While we do not yet know the full extent of the reforms, it has been confirmed that Education Scotland will no longer undertake inspections, with this work becoming a separate, independent role. The Minister is also minded to combine the curriculum work currently undertaken by Education Scotland with any new curriculum and assessment body which may replace the SQA.

Professor Ken Muir CBE has been appointed to lead the work on how the reforms should be implemented. In doing so, he will work with a dedicated and diverse advisory panel and Education Scotland is ready to work with them on how our organisation, and the wider system, can change to better reflect the needs of learners.

Education Scotland's approach to managing risk is covered in more detail in the Governance Statement (page 51).

Financial risks around the monitoring of expenditure against budgets and resource constraints impacting on the Agency's ability to deliver our priorities.

In light of the COVID-19 pandemic, we revised our priorities and activities, reorganising our work to meet the unanticipated challenges of the year. At the same time, regular monitoring of financial information on staff and staff cost projections, as part of an updated budget planning and monitoring process, continued.

Future budget requirements, for both resource and capital expenditure, have been notified to the Scottish Government as part of the formal Spending Review process.

Governance and compliance risks around a failure to act in accordance with our corporate responsibilities or failing to comply with statutory requirements.

Early in the year, we reviewed our governance arrangements, assessing our activity in key areas of internal control and revised our governance framework. We also carried out a formal assessment of the Agency's information governance arrangements, the results of which will inform our improvement activity in this area.

We developed and published a new Education Scotland Framework Document, agreeing with Ministers the broad basis on which the Agency operates, setting out clear roles, responsibilities and accountabilities.

People risks around morale and well-being of staff resulting in low productivity and lack of engagement or business continuity issues

Staff well-being has been a core organisational priority for Education Scotland over the reporting period, particularly with the move to remote working. A wide range of support, guidance and equipment has been made available to all designed to support health and wellbeing (see the Governance Statement at page 51 for examples of the range of support available).

We introduced a central absence reporting process to identify early any rising absence levels while at the same time identifying clear priorities for Education Scotland with our work refocussed along people and place lines to ensure greater flexibility across our workforce.

The roll out of MS Teams across SCOTS also made it easier for staff to connect and stay in touch.

Digital risks around changes to, failures or exploitation of technology impacting on the Agency' ability to deliver its objectives.

Capital funding was received to invest in corporate digital assets as part of our Transformation Programme. The programme aims to update the business processes and supporting technical platforms in use across the organisation, to ensure Education Scotland is better placed to support Scotland's teachers and their support of learners. The Programme has an Integrated Assurance and Approval Plan detailing the programme's governance structure, the approval routes for change management, financial management and risk management and the internal and external assurance routes available.

We also implemented increased monitoring and expedited planned security enhancements to reduce the overall risk that the COVID-19 crisis posed to the Glow environment.

Reputational risks around a failure to fully demonstrate Education Scotland's positive response, impact and support for the education system.

As a key member of COVID-19 Education Recovery Group (CERG) and the Scientific Advisory Group, Education Scotland provided ongoing advice to Ministers and local government leaders in developing the strategic approach to the response and recovery of the early learning & childcare (ELC) and education system.

We also repositioned and refocused our work and took steps to relieve pressure on the education system, including pausing individual school inspections and professional learning activity. The Agency's Senior Regional Advisers worked with senior staff in Local Authorities to prioritise use of resources, build capacity and support improvement.

HM Inspectors published a series of National Overviews of Practice reports, to learn what had been working well; surface the challenges; and importantly, to identify what further assistance was required.

Political risks around activity in the policy or political space negatively impacting on Education Scotland.

We continued to invest heavily in maintaining strong relationships with key stakeholders. Education Scotland has been a key member of CERG as well as the Scientific Advisory Group. We acted as an important conduit between local authorities and Scottish Government staff to gather and share intelligence to assist policy development and decision making, and ensure well-informed and up to date policy advice.

Work is underway to devise a new corporate plan to clearly signpost Education Scotland's future direction and we are continuing to develop our partnership working approach with a range of key stakeholders, including the Association of Directors of Education (ADES).

How we monitor and report on our performance

Our Advisory Board and Audit and Risk Committee receive a number of reports on corporate performance. These include financial monitoring reports, the corporate and directorate Risk Registers and additional performance monitoring information. Agendas and minutes from these meetings are also published on our website. Our Leadership Team also receive quarterly reports around our Corporate KPIs and a range of other management information.

Our performance in 2020/21

Over the following pages, we present the main areas of our performance in financial year 2020/21. In previous years, the report has been around each of Education Scotland's five Directorates. This year, however, to reflect the strategic focus of Education Scotland, this section includes our work under the headings 'People' (which covers Professional Learning, Curriculum Innovation, Design and Pedagogy) and 'Place' (which includes our Scrutiny work as well as Regional and Locality Working). This section highlights some of Education Scotland's work to support the aim and outcomes outlined in 'People and Place' above.

People

Remote learning

Remote learning has been a significant feature over the reporting year as Scotland's school buildings were closed as part of the national lockdowns in response to COVID-19.

Education Scotland, working with a number of bodies including e-Sgoil and local authorities, developed the National e-Learning Offer (NeLO) to support the continued delivery of a high quality education to learners nationally.

As a result of this partnership working, teachers can access around **1,000 recorded lessons** covering 15 subject areas in the secondary curriculum, as well as over **16,000** online learning and teaching resources. Additionally, the e-Sgoil programme (part of the NeLO) provided live, online, study support webinars for senior phase learners and delivered programmes to support the continued delivery of education for learners in Broad General Education.

The use of digital tools for learning and teaching has been extensive since March 2020 and has enabled practitioners to provide continuity for their young people's learning experiences. The skills practitioners have gained and the breadth of applications they use to facilitate, support and lead learning will continue as part of everyday learning and teaching post COVID-19. This work will continue to develop the digital literacy skills that learners will require for their learning, life and work in the future.

Since March 2020, over **12,000 practitioners** have engaged in the **218 webinars** delivered by Education Scotland Digital Officers, focusing on the practical delivery and creation of

online learning. The Education Scotland [digilearn.scot](https://www.education.scot.nhs.uk/digilearn) website hosts access to a range of support such as live and recorded webinars, practitioner learning pathways and practitioner blog posts which have had over **269,000 views**. The YouTube channel hosting all video content has had **5170+ hours of videos viewed** since April 2020.

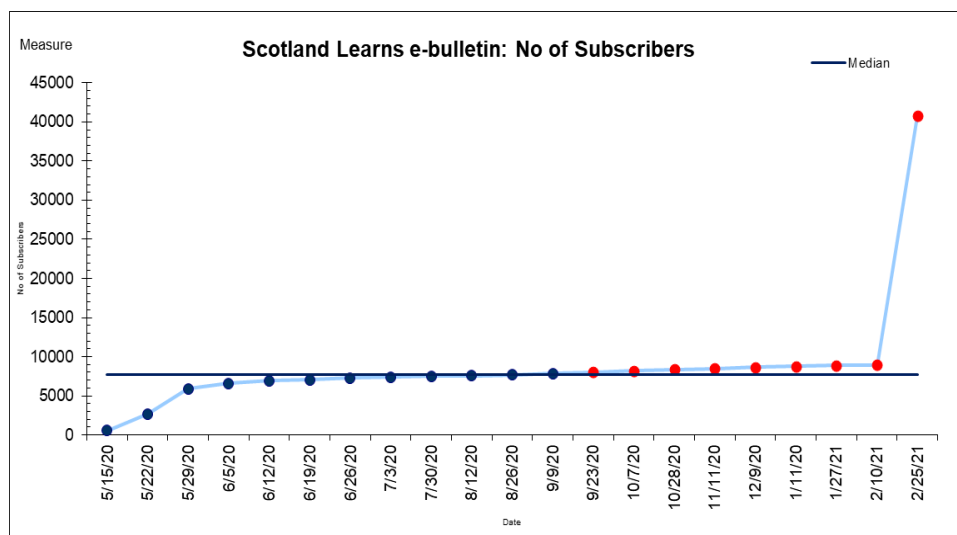
Scotland Learns

While school buildings were closed, Education Scotland created 'Scotland Learns' – a hub of resources for practitioners and parents which covered a number of topics to help support remote learning. Education Scotland also published regular newsletters to parents and carers to support learning from home.

Education Scotland published a total of **2,131 web pages** in Scotland Learns, which have received over **400,000 views** since we launched. Almost **1,000 learning activities** for parents for learning at home have been published, including around **300 specifically aimed at Gaelic learners**. In addition to this we have published almost **1,500 learning activities** to support remote learning.

Management information for Scotland Learns

The chart shows the number of subscribers to our practitioner newsletter between May 2020 and February 2021. We have still seen a clear increasing trend in subscriber numbers since August, shown in red. The last 'Scotland Learns' practitioner newsletter was sent out on 10 February 2021 and featured the last of our flexible Broad General Education phase learning activities.



On 25 February 2021 a new-look version of the Scotland Learns e-bulletin was launched, promoted as our new corporate e-bulletin providing a one stop shop for news from Education Scotland. Following feedback from the profession, this new-look newsletter replaced the range of bulletins we previously provided. As a result of this, we compiled subscribers from our other bulletins into a master mailing list and sent the newsletter out to them. **This resulted in the substantial increase in subscriber numbers, in February 2021 there were 40,780 subscribers.** The average percentage of unique opens for the newsletter was recorded at 29% at 10 February and 21% at 25 February. The latter is down on previously recorded results.

What Scotland Learned

In January 2021, Education Scotland launched [‘What Scotland Learned’ – 100 stories of lockdown learning](#). This collection of stories was collated to showcase and celebrate the collective endeavours of all those involved in education in Scotland – considering how practitioners continued to build meaningful and positive relationships with their learners to continue to deliver a high quality education despite the challenges of the year.

Professional Learning and Leadership Programmes

Over the past 12 months, the Professional Learning and Leadership team at Education Scotland has delivered **183 engagement events** across professional levels, with over **10,000 practitioners** directly supporting Scotland’s children and young people. Since March 2020 and the end of face-to-face professional learning in light of the pandemic, Education Scotland quickly adapted its programme offering to be delivered exclusively online, working hard to ensure high levels of engagement and impact.

“I felt the atmosphere of the day was very inclusive and this led to colleagues being relaxed and trusting of one another, in turn creating a suitable environment for open, honest and supportive discussions.” (Middle Leaders – Leading Change participant testimonial, Sep 2020)

Health and wellbeing has been a core focus of professional learning during this year. Education Scotland led the delivery of the Scottish Government's package of support for school staff, developed through the Workforce Support workstream of the COVID-19 Education Recovery Group (CERG), in response to identified needs. In collaboration with the General Teaching Council for Scotland (GTCS) and a range of partners, the new package of support includes mental health support for the education workforce, coaching and mentoring offer and enhanced support for post-probation teachers through Stepping Stones, a new professional learning programme.

Education Scotland’s series of Blethers provided opportunities for supported dialogue across the education workforce and included public health blethers for Early Learning and Childcare practitioners, teachers and wider school staff; an International series designed to support thinking around leadership by school and system leaders; health and wellbeing sessions for probationers, teachers, Early Learning and Childcare and Community Learning and Development practitioners; and sessions with headteachers and teachers to engage in dialogue directly with the Deputy First Minister and the Chief Inspector of Schools.

“The international series has been a really significant part of the development of our leadership agenda here in Highland Council. It has helped to provide an outward looking context which then informs the conversations we are having with our leaders at all levels, and in our planning for future research-based leadership development. It has helped our school leaders see Education Scotland as a key partner and facilitator as they nurture leadership skills in themselves and their colleagues.” (Local authority system leader, March 2020)

The impact of Education Scotland's Professional Learning and Leadership work

In order to avoid putting additional pressure on the system, not all professional learning and leadership programmes were formally evaluated as would normally be the case. It is noted, however, that response rates are lower than anticipated owing to the pressures and additional workloads brought about by COVID-19.

The results of formal evaluation undertaken indicated that the programmes had a positive impact on respondents' professional learning. For example, the majority of the **72** respondents to the Teacher Leadership Programme end-of-programme survey (**99%**¹) stated they were '**very satisfied**' or '**satisfied**' with the programme. Additionally most (99%) also indicated they had experienced increases in confidence as a result of participation and, importantly, that that they would share the learning with colleagues (97%).

Increases in areas such as confidence and understanding were evident where programmes had issued a survey at introductory events. For example, a survey was issued following the launch events for the Aspiring to Middle Leadership Programme in March 2020 and **72** responses were received. The majority of respondents (89%) indicated that the event had increased their understanding of the skills required to carry out key aspects of middle leadership roles. Most also felt the event had increased their confidence in terms of using 'action learning' (94%).

Evidence from Evaluation of Online Professional Learning Events

An online survey was developed in partnership between the Professional Learning and Leadership Team and the Corporate Performance Team, and launched in December 2020. It has been used by teams across the organisation to evaluate online professional learning events. As the events continue to be held, the online survey remains open and these results cover the period from **December 2020** up until **4 March 2021**. In total, **413** responses were received.

The majority of respondents were based in schools or worked in the early learning and childcare sector (76%²) and over half of all respondents were based in the primary sector (48%). Approximately 19% were based in the secondary sector. A small number indicated they worked across more than one sector. Respondents were drawn from across all 32 local authorities with the highest number of respondents coming from Aberdeenshire (10%), Glasgow (8%) and South Lanarkshire (7%).

It is clear that the online professional learning events have been well received by respondents with the **majority giving an overall rating of 4 or 5 out of 5** (89%). This is further evidenced by the fact that most respondents indicated they had experienced increases in confidence (89%), knowledge (88%) or that their skills around the topic of the event had increased (77%).

¹ All percentages are rounded up to the nearest whole percentage.

² It should be noted that all percentages in the report are rounded up to the nearest whole figure. Additionally the all figures are based on combined answer options of e.g. strongly agree and agree, or very likely and likely.

The extent to which respondents valued the learning or information they received through their participation was also demonstrated by the fact that the majority stated they were likely to share what they had learned (95%) or to implement what they had learned in practice (90%).

Positive feedback was also received when respondents were asked, in an open question, which aspect of the session they had found most valuable. A total of 371 responses were received.

Many respondents highlighted that they had welcomed the opportunity to hear of strategies, practical tools and useful links, which they could use to support their learners during blended/remote learning. A few also commented on the fact that they appreciated that there appeared to be a focus on renewal rather than recovery and on understanding the reality of where things are now, how to adapt and move forward post COVID-19, instead of just planning to return to the status quo. Respondents also highly valued the opportunity for discussion not only with colleagues but also with senior leaders in Education Scotland and Scottish Government.

Reaccreditation of 'Into Headship'

Education Scotland's Into Headship programme is Scotland's national programme for aspiring headteachers and successful participants are awarded the GTCS (General Teaching Council for Scotland) Standard for Headship. Following a successful reaccreditation of the Into Headship Programme in early 2021, the programme has been accredited by GTCS for a further five years. The accreditation panel highlighted a strength of the programme being Education Scotland's ongoing collaboration with key stakeholders to improve the delivery of a high quality education.

Inclusion and Equity Professional Learning Programme

From November 2020, the Inclusion and Equity Programme has been offered to leaders and practitioners at all levels through partnership between Education Scotland South East Improvement Team and the South East Improvement Collaborative (SEIC). The programme provides a suite of themed professional learning and engagement opportunities around inclusion, equity, closing the poverty-related attainment gap and raising attainment. Professional learning was delivered through live webinars, Blethers and Wee Shares until January 2021 and were attended by over **360 practitioners** from across the region. From April 2021, recorded bite-size presentations will be available for practitioners to access when required. This adaptation to delivery and support is as a result of the pandemic.

CERG Workstream 6 – Workforce Support

Over the course of this year, a key area of work for the Professional Learning and Leadership team has been to support, co-ordinate and lead the additional package of support announced in September 2020. This additional package of support was developed in partnership through the CERG Workforce Support Workstream and included new mental health support for staff from Barnardo's Scotland and mental health charity Place2Be. Education Scotland and GTCS also offered new professional learning opportunities for post-probation teachers (Stepping Stones programme) and developed a new coaching and

mentoring offer for teachers who needed it most. The funding package also included the continuation of the Scottish Government's commitment, in partnership with the Hunter Foundation, to the values-based leadership programmes delivered by social enterprise and charity Columba 1400. Whilst Education Scotland have not led on every aspect of the package of support, we have co-ordinated, liaised and supported partner providers throughout this year.

The [additional package of support](#) was launched at the end of October and as of the end of March 2021, 161 headteachers, 53 teachers with responsibility for Child Protection and Pastoral Care and 40 teachers new to role had registered for 1:1 coaching with a professional coach. In addition, 71 Middle Leaders from the Professional Learning and Leadership Programme, 'Middle Leaders Leading Change', volunteered and registered with KnowYouMore as coaches to support Stepping Stones participants. In phase 3 this offer was extended to include a small pilot of colleagues from Community Learning and Development. Participant feedback to date on the coaching offer has been very positive reflecting both the immediate benefits as well as pointing to potential longer term effects.

The Scottish Association of Minority Ethnic Educators (SAMEE) has provided access to a leadership and mentoring programme to develop coaching and mentoring support for 28 Black, Asian and Minority Ethnic (BAME) teachers. There were also 28 colleagues utilising peer coaching and 25-28 educators engaged in career counselling. Feedback from those involved identifies the positive impact of peer support during this period.

As well as this 1:1 coaching support, the PLL team in partnership with GTCS also developed a package of coaching and mentoring professional learning to build capacity in the system. This professional learning package included an Introduction to Coaching (40 participants), an online version of the Success Intelligence coaching programme (111 participants) and professional learning activities (PLAs) on the Professional Learning and Leadership online resource ([Education Scotland | Professional Learning and Leadership](#)).

Barnardo's Scotland offered a programme for school staff who wanted to develop ' [Spaces for Wellbeing](#)' for the staff with whom they are working. Place2Be provided ongoing support for teachers and school leaders through their [Place2Think](#) programme. This is an online monthly group for educators to reflect on their current work, based on the model of clinical supervision used across the mental health profession. There are 306 active participants across live and scheduled groups.

As of March 2021, there are 828 Stepping Stones participants, which has a focus on early career phase teachers (in their first four years of teaching). The programme was designed with and for post-probation teachers to support them in the early phase of their career. Education Scotland and GTCS have worked in partnership to continue to develop this offer for this group of practitioners with webinars, key note sessions from Gavin Oates and Sir John Jones and workshops delivered.

Education Scotland established the CERG Workstream 6 Evaluation group in December 2020 to oversee the implementation of the full package of support and to evaluate impact. The group meets on a monthly basis to assess ongoing delivery of the various elements of the support package and, through this work, the group has also had a key role in identifying barriers to engagement, supporting communications and assessing and evaluating impact versus expenditure. Although established by Education Scotland, the group is chaired by a member of ADES and also includes representation from Scottish Government, GTCS and headteachers.

RAiSE

RAiSE (Raising Aspirations in Science Education) is a programme supported by The Wood Foundation, Scottish Government, Education Scotland, and participating local authorities.

During the period of the first lockdown, the RAiSE network published the Science Planning Framework and Context Planners. These guides provided comprehensive insight, practicable ideas, and clear alignment to Experiences and Outcomes in relation to STEM learning experiences for primary schools. The lessons incorporate in-school, virtual, and blended learning approaches.

Mental Health and Wellbeing

A key focus of work for Education Scotland during the pandemic has been supporting the mental health and wellbeing of children, young people, families and practitioners. We produced a wide range of resources, conversations, and signposted resources to help build capacity and competencies to improve outcomes for children and young people. This included:

- Professional learning resources designed for educators supporting children, young people and families accessible on the [National Improvement Hub](#);
- Professional learning resources designed to support the wellbeing of educators as they navigate current opportunities and challenges accessible through the National Improvement Hub and through the Education Scotland online learning resource;
- Webinars to introduce new mental health teaching and learning approaches and interventions;
- Online opportunities (e.g. Headspace sessions, 'Big and Wee Blethers') to share good practice and find solutions for challenging situations;
- Signposting of key resources and organisations to reduce workload for teachers and support staff, and to assist parents and carers
- Bespoke advice and consultation with leaders and schools.

Place

Regional and locality working

In the early stages of the pandemic Education Scotland responded to gather information from local authorities very quickly to inform and support policy decisions. Since September 2020 Regional Teams alongside HM Inspectors worked with local authorities to find the best way to support continuity in children's and young people's learning in the new session ahead through our Place based recovery work. Locality teams have been organised around the six Regional Improvement Collaboratives. They have worked together and in partnership with local authority colleagues to provide bespoke support and professional learning opportunities. Across Scotland, this collaborative approach has focused on wide-ranging aspects of educational practice. Education Scotland has also supported the early learning and childcare and community learning and development sectors across all localities to increase the impact of early intervention and support to children and families.

All six locality teams have engaged with Regional Improvement Collaboratives (RICs), local authorities and individual establishments to agree and deliver a range of support for educational recovery. Education Scotland is responsive to the needs of schools and local authorities prioritising support requests to best meet emerging local needs.

Since August 2020 Education Scotland staff have undertaken over 1900 engagements with schools, settings and local authorities. The engagements have reached all Regional Improvement Collaboratives and all local authorities and covered a broad range of areas, including digital pedagogy, learning, teaching and assessment, health and wellbeing, equity, curriculum, school improvement planning, self-evaluation and leadership.

Professional learning for centrally based local authority staff

In all localities, Education Scotland provided support to build capacity of central staff around areas of quality improvement, including self-evaluation. Some of this work involved Education Scotland staff working alongside local authority colleagues to plan and develop sustainable models to support capacity building around system leadership at all levels. In a few localities, support has also been provided to support the use of self-evaluation for self-improvement. One request focused on the delivery of a quality improvement programme for central officers. The quality improvement programme centred on the use of quality indicators contained within the quality improvement framework *How Good Is Our School?* 4. This programme is ongoing and is likely to evolve into a sustained programme of engagement. In another locality, support was provided for local authority officers to use self-evaluation effectively to triangulate evidence to support improvement, including identifying reflective questions to challenge thinking and identify next steps.

Leadership

The theme of leadership featured in almost one fifth of all requests for support. The scope of the work was wide ranging and designed to respond to identified needs within each context. Senior leaders have been provided with support in managing the strategic direction of school improvement. Middle leaders have engaged in dialogue to help identify their role in improving learning, teaching and assessment. Some support has been provided for newly appointed headteachers to lead and implement the process of change within their establishment. In one locality, support has been provided for a group of acting headteachers and depute headteachers.

Learning and teaching

A key focus of much of the support provided has been learning and teaching. Key themes were: providing professional learning which focused on developing a shared understanding and consistency of approaches to learning and teaching and assessment; the co-design and delivery of professional learning to support pedagogy in key curricular areas such as maths and numeracy and literacy and English; and supporting senior leaders and staff to improve approaches to monitor learners' progress. Support has also been provided to teachers to develop aspects of learner participation across the school.

Curriculum

Support requests related to the curriculum were responded to by Education Staff working in all six localities. Professional dialogue and collaboration supported colleagues to address issues such as transition, rationale and improvement planning. There was also input on operational aspects of curriculum provision, such as timetabling. Teams also provided support at local authority and school level around the provision of a broad curriculum. There were also specific requests focused on areas such as STEM, 1+2 language, music and DYW (Developing the Young Workforce). Collaborative work took place with senior leaders and local authority officers around developing and facilitating a range of learner pathways across the Broad General Education Phase (BGE). Professional dialogue helped primary headteachers to develop and implement a curricular framework that would support the BGE in their schools. Staff worked with local authorities to integrate outdoor learning into an overall framework for learning and teaching and provided guidance on using the outdoor environment to support the aims of 'Realising the Ambition'. Support was also provided for local authority officers and headteachers of secondary schools to review the planning of learning for different cohorts of young people in the senior phase.

Assessment

Locality teams worked collaboratively with identified practitioners to develop their understanding of the importance of the link between planning learning and assessment and how this can be used to support the progress of children and young people. Engagement with practitioners also focused on developing an improved understanding of approaches to moderation. In response to remote learning, staff provided support on the use of digital platforms to support assessment and feedback.

Inclusion, equity and additional support

A range of support has been provided to develop inclusive practice both in mainstream and specialist settings. This work has included: working with local authority officers to review their ASN (Additional Support Needs) provision; supporting practitioners to address barriers to learning for specific groups of learners; and promote and establish inclusive cultures in schools.

Early learning and childcare

Education Scotland staff responded to requests for support around early years in all six localities. There was a particular focus on raising awareness of the policies and practices underpinning Realising the Ambition by providing professional learning and engaging in dialogue with practitioners and leaders across local authorities. Professional dialogue and guidance around self-evaluation was a key feature of the support provided in relation to quality improvement. In one locality, three professional learning sessions on Realising the Ambition were attended by over 300 practitioners. Practitioners welcomed the opportunity to share and reflect on their approaches to meeting the needs of children and families throughout the pandemic. Work was also undertaken to support the implementation of play pedagogy.

Digital learning

Request for support in the development of digital pedagogy grew at pace particularly during the period of school closures. Common themes identified were evaluating learning and teaching by digital technologies, online tools to enhance teaching and learning and the national e-learning offer. In one locality, support was provided to establish an analysis of digital needs across each local authority. This set out the systematic and strategic support required across the locality, to create a minimum shared standard informed by the Scottish Government's National Digital Learning and Teaching Strategy.

CLD (Community Learning and Development) and Family Learning

We have provided support for CLD staff to review and develop new plans in some local authorities. This included consideration of updated guidance in CLD to take account of legislative requirements and improving approaches to evaluating impact. In a few localities, CLD leads and staff have been supported with their self-evaluation or planning for short- and long-term priorities. A few specific requests have been made by schools and localities related to Family Learning, Parental Involvement, Parental Engagement and Learning at Home. This has led to professional dialogue to help practitioners engage in research and identify next steps in these areas.

Scottish Attainment Challenge

Attainment Advisors have continued to work with Scottish Attainment Challenge (SAC) schools, wider schools and teachers, involving local authority colleagues to support them in planning effectively for all aspects of the Attainment Scotland Challenge to target and meet the needs of those who are disproportionately disadvantaged by this current crisis. For session 2020-21 Attainment Advisors have aligned their work to the maximising progress plan alongside the advice and guidance from the COVID-19 Educational Recovery Group (CERG) in relation to supporting the most disadvantaged children and young people.

Attainment Advisors worked with colleagues across Education Scotland, Scottish Government and local authorities to analyse data and evidence regarding the impact of the Scottish Attainment Challenge between 2016-21. They considered the impact of SAC funding and supports upon:

- the educational outcomes for children and young people affected by poverty
- the poverty related attainment gaps
- the equity of the culture and systems of local authorities in supporting children and young people affected by poverty.

Each Attainment Advisor completed a professional report detailing evidence for individual local authorities, utilising a variety of data sources to triangulate analysis. These reports were further analysed to provide evidence for the national Scottish Government report 'Closing the poverty-related attainment gap: progress report 2016 to 2021' (March 2021). The individual local authority reports are also being widely used by local authorities to consider their next steps to closing the poverty related attainment gap, using a data informed approach.

The national evidence collated by Attainment Advisors identified that steady progress had been made which had impacted upon the levers and drivers of the Scottish Attainment Challenge. Evidence illustrated improved leadership of equity, increased collaborative working, professional learning focussed on equity, better use of data to identify and support children and young people affected by poverty, higher quality learning, teaching and assessment focussed on achieving equity and more active engagement with children and families affected by poverty. It also highlighted improving trends in closing measures of educational outcomes in closing poverty related attainment gaps. However, the rate and pace of progress varied and it is recognised this will need to be addressed. Evidence collated by Attainment Advisors identifies future priorities for local authorities.

Equity Audit

The period of school building closures in 2020 and wider national lockdown had an impact on all children and young people, with particular difficulties being faced by children and young people from socio-economically disadvantaged backgrounds. As a response to this concern, Education Scotland and Scottish Government committed to undertake an equity audit.

The Equity Audit was implemented in two complementary phases from September to November 2020. Phase one was a rapid evidence review of local, national and international literature. Phase two was a deep dive based on a representative sample of 54 schools across all 32 local authorities and engagement with partner organisations. In total, 1,015 participants were interviewed either in one to one interviews or as part of a focus groups. Allowing for COVID-19 restrictions, these took place virtually or in person.

Participant demographics were as follows:

- 307 Children and young people
- 221 Parents
- 63 Headteachers
- 274 Practitioners
- 150 Partners

All participant groups were asked questions relating to the four themes which had emerged from the phase one rapid evidence review of literature. These were: health and wellbeing, learner experience, attainment, and mitigations. A number of key findings emerged from both the evidence review and from the school-based case studies which are outlined within the report. [National Equity Audit](#).

Improving outcomes for young people through school education

In March 2021, Audit Scotland published [Improving outcomes for young people through school education](#). The report includes a number of recommendations for Education Scotland to take forward. Education Scotland, working with the Scottish Government, Local Authorities and Regional Improvement Collaboratives, will consider how to take these recommendations forward.

Scrutiny

In June 2020, HM Inspectors of Education (HMIE) carried out a review of local authority local phasing plans using the criteria outlined in the strategic framework for reopening schools. This was in response to the phased return of pupils to schools in August 2020. HM IE provided each local authority with a summary report of their findings. They also provided Scottish Ministers with a national overview of the local response to the national education recovery plan.

In accordance with The Schools (Consultation) (Scotland) Act 2010, HMIE have a statutory duty to produce an independent and impartial report on proposals by local authorities when they intend to make changes to their school estate. Over the reporting year, Education Scotland completed 10 such reports.

Supporting the quality and effectiveness of the delivery of remote learning

HM Inspectors of Education published a series of 12 National Overviews of Practice reports during the period 22 January to 3 April 2021. Evidence for the National Overview of Practice was gathered through engagement with local authorities, schools, parents and children and young people. The purpose of the national overview was to learn what was working well; surface the challenges; and identify what further assistance was required. During this period, HM Inspectors engaged with all 32 local authorities and **474 schools** across Scotland. They also carried out a national survey of parents and carers and another with learners. The surveys reached **12,105 parents** and **2,667 learners**.

HM Inspectors of Education also identified examples of what is working well during remote learning. Over **80 case studies** and supporting documents have been published by Education Scotland.

Chief inspector of Education reporting

The HM Chief Inspector's reporting brings together a range of information and key messages based on evidence gathered by HMIE through independent scrutiny activity.

In the last year we have published two national thematic inspections: Assessment in the Broad General Education and Family Learning, as well as a Modern Apprenticeship Review in Electrical Installation.

A summary of prison inspection findings 2016-20 and Review of Career Information, Advice and Guidance services delivered by Skills Development Scotland 2014-2020 have also been published.

There have been four school inspection findings reports published this financial year:

- Inspection findings: Developing the Young Workforce 2018-19;
- Primary inspection findings: Primary curriculum 2018-19;
- Secondary inspection findings: Secondary curriculum 2016-19;
- Addressing the poverty-related attainment gap 2018-20.



In addition we published:

- A summary of prison inspection findings which details the contribution of HM Inspectors to the inspection of prisons in Scotland from 2016 to 2020.
- A report summarising the findings of HM Inspectors of the review of Career Information Advice and Guidance (CIAG) services delivered by Skills Development Scotland between 2014 and 2020
- A report summarising the findings of the external review of Modern Apprenticeship (MA) provision by HM Inspectors between 2015 and 2020.

Engaging families in learning – A thematic inspection of family learning

This report explores the impact of schools and other settings working with families to improve learning and achievement. It identifies the key features of highly-effective practice in engaging families in learning and provides examples of quality family learning which are helping to secure better outcomes for children and young people. The case studies of practice in the report, captured before COVID-19, have been revisited to see how the identified settings and services have engaged families in learning during educational recovery.

Health and Nutrition

Health and Nutrition Inspectors have delivered a series of 9 online briefings with local authority catering colleagues since January 2021. These have focused on discussion of the revised Nutritional Analysis Manual to support the implementation of the revised Nutritional Regulations which are effective from 08 April 2021. Two sketchnotes are now published and available online as part of the resources for the self-evaluation framework.

Performance analysis

In this part of the report, we provide a more detailed analysis of our performance in financial year 2020/21. We first outline how we measure and report on performance, and then provide an overview of our achievements in 2020/21 for our key areas of work under our People and Place focus.

How we measure our performance

In financial year 2020-21, Education Scotland has continued to develop approaches to corporate performance measurement. In 2018/19 we developed a set of corporate Key Performance Indicators (KPIs).

During 2019-20, we began to collect data against these measures. We report on these KPIs below. No targets have been set for Education Scotland's KPIs this year, this is a result of Education Scotland pivoting to support education through the pandemic. Additionally, the pandemic has meant that there is significant variation between this year and last year and, as such, no like-for-like comparison can be usefully made.

16,000 Learning and Teaching resources as part of the National e-Learning Offer with around 1,000 recorded lessons

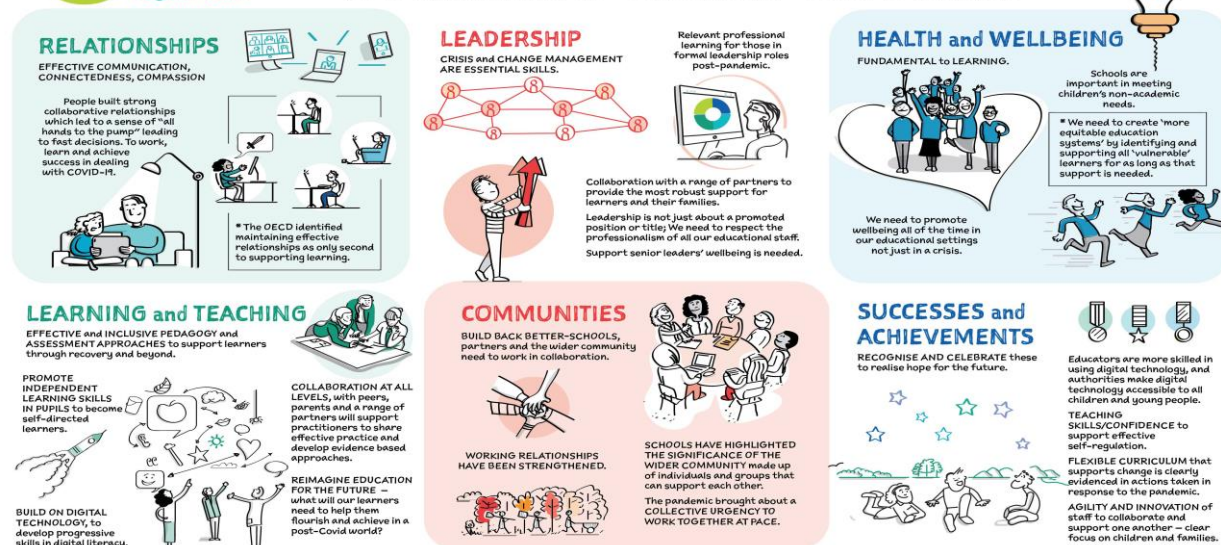
12 reports on what schools and local authorities have done to deliver high quality remote learning education for learners.

**Scotland Learns
400,000 page views
2,131 web pages
1,000 learning activities
300 activities in Gaelic**

80 case studies to share what was working well in remote learning to improve delivery

99,561,381 GLOW log in sessions over the year

What Scotland Learned: BUILDING BACK BETTER



Corporate KPI

Impact of our leadership development opportunities

It is important for us to track whether our leadership development programmes are contributing to short-term outcomes for participants, such as improved skills and confidence.

Source: Post-programme surveys of participants, % of respondents who agree/strongly agree.

Professional learning programme participants reporting...	Academic Year	
	2019/20 * (Baseline)	2020/21
	% of respondents	
Increases in confidence	87	NA
Increases in knowledge	91	NA
Increases in skills	86	NA
That they are likely to share what they have learned	92	NA
That they are likely to implement their learning in practice	87	NA

* From 16 March 2020, we paused delivery of our leadership programmes due to COVID-19. While some programmes resumed later in the year, others remain paused. The data for 2019/20 provided in last year's report has been updated to include programmes who conducted end of programme evaluations after the end of the academic year. It should be noted that not all programmes conducted formal end of programme evaluations to avoid placing an additional burden on the education system and so the figures do not represent all leadership programmes. The figures are based on the Evolving Systems Thinking, Excellence in Headship, Into Headship and Teacher Leadership programmes only. Only one of the currently active leadership programmes has conducted a formal end of programme evaluation at this point in time. The survey was more concise than the usual end of programme evaluations due to continued concerns around the burdens on the education system and did not capture KPI information. Additionally the response rate was too low for the results to be analysed and meaningful information extracted. The remaining leadership programmes will conduct formal end of programme evaluations later in 2021 and the results will be included in next year's Annual Report and Accounts.



Corporate KPI

Reach of our leadership development opportunities

This is an important 'lead' indicator of participants in our leadership programmes achieving other outcomes.

Source: Management Information

Leadership Programme	Academic Year			
	2017/18 (Baseline)	2018/19	2019/20 *	2020/21
	No. of participants			
Teacher Leadership	152	146	230	238
Supporting Teacher Leadership	21	20	60	66
Leadership of Early Learning	-	59	42	Paused
Towards Headship	31	10	16	11
Into Headship	132	134	170	241
In Headship	38	15	42	35
Excellence in Headship	128 (Cohort 1)	137 (Cohort 3)	103 (Cohort 5)	
	117 (Cohort 2)	87 (Cohort 4)	51 (Cohort 6)	65 (Cohort 8)
			73 (Cohort 7)	
Excellence in Headship Stretch	-	-	-	53
Leading Systems Change	29	32	-	Paused
Evolving Systems Thinking	21 (Cohort 1)	33 (Cohort 2)	30 (Cohort 3)	
			153 (1 Cohort per RIC)	No new iteration
Middle Leaders Leading Change	-	-	137	422
Aspiring to Middle Leadership	-	-	118	224
Stepping Stones	-	-	-	785
Coaching and Mentoring	-	-	-	79
	No. of schools			
Collaborative Middle Leadership	-	3	19	3

* From 16 March 2020, we paused delivery of our leadership programmes due to COVID-19. Figures from 2017/18 to 2019/20 have been updated after the end of the academic year and reflect the number of participants who completed the programmes. The 2020/21 figures reflect the numbers of participants who are currently active in the programmes.



Corporate KPI

Views of our people

These indicators are important in tracking how our people feel about significant aspects of their working lives.

Source: Civil Service People Survey

Education Scotland staff members reporting...	Year			
	2017 (Baseline)	2018	2019	2020
	% of participants			
That they are able to access the right learning and development opportunities when they need to	36	42	50	56
That learning and development activities completed at ES have been helpful for career development	26	27	44	45
That they have the tools to do their jobs effectively	49	58	68	64
That they have the information they need to do their jobs well	48	53	64	58



Corporate KPI

Number of planned inspections completed

This indicator tracks the number of planned inspections we complete based on our annual published programme of scrutiny activity.

Source: Management Information

Scrutiny Programme	Academic Year	
	2018/19 (Baseline)	2019/20
	No. of planned inspections completed	
Early learning and childcare	163	94
Schools	252	169
Schools and Early Learning and Childcare – Further inspection	54	46
Community Learning and Development services	8	5
Colleges (Evaluative Report and Enhancement Plans)	27	18
Private Colleges and English Language Schools	1	2
Careers Information and Guidance (CIAG) services	6	5
Modern Apprentice reviews	2	1
Prison education	4	2
National Thematic inspections *	4	3

The 2019/20 figures sets out the scrutiny activity undertaken during the academic year. Due to COVID-19, Education Scotland made the decision to pause Early Learning and Childcare and School inspections from 16th March 2020. As a result, the

2019/20 figures included in the table above are based on a partial academic year. The publication of some reports was delayed until August 2020 also due to COVID-19.

*We carried out and published a national thematic inspection report on highly effective practice on assessment within Broad General Education. We also completed fieldwork for a national thematic inspection on family learning. Publication of this report was paused until February 2021 due to COVID-19. We also published a report on a national thematic inspection on numeracy and mathematics following fieldwork which was carried out in academic year 2018-19.



Corporate KPI

Impact of inspections

It is important for us to track whether our inspection activity is contributing to improving short-term outcomes for establishments.

Source: Post-inspection surveys of headteachers and heads of settings (school and early learning and childcare settings).

	Academic Year	
	2017/18 (Baseline)	2018/19*
Headteachers of inspected early learning and childcare settings and schools reporting...	% of headteachers/ heads of setting	
That the professional dialogue with HM inspectors during the inspection had helped the school/setting to make improvements	97	90
That the school/setting had made changes as a direct result of inspection	97	98
That they had used the inspection findings to inform their self-evaluation and improvement planning.	95	96

*It should be noted that the last batch of post-inspection questionnaires were issued in early March 2020, shortly before establishments were closed due to COVID-19. Due to the pressures faced by the system, no survey reminders were issued in order to avoid placing any additional burden on the system. This had an impact on the survey response rate and so responses may not be representative of all inspected establishments.



Corporate KPI

Communications and engagement

It is important to track our engagement with stakeholders using a range of channels.

Source: Analytics

Communications Channel	Financial Year	
	2019/20 (Baseline)	2020/21
	No. of subscribers	
Newsletter Unique Subscribers	54,456	63,850
Facebook	17,546	23,258
Twitter	52,802	68,029
YouTube	1,905	3,502



Corporate KPI

Glow Usage

Glow is the national online service funded by Scottish Government and provided by Education Scotland. This learning environment, which is free at the point of use, provides learners and educators across Scotland access to a wide set of digital tools and resources designed to enhance learning and teaching across the whole curriculum. It is important to track use of Glow as a platform to support learning and teaching.

Source: Analytics

	Financial Year			
	2017/18 (Baseline)	2018/19	2019/20	2020/21
	No.			
Number of Glow login sessions	21,883,316	28,074,338	40,651,845	99,561,381

It should be noted that figures for 2019/20 and for 2020/21 have been significantly impacted by COVID-19 and the use of remote learning, particularly during periods of national lockdown and school closures. For example, The figures for 2019/20 include March 2020 which was the start of school closures and, due to the move to learning at home, the number of Glow login sessions saw a 200% increase on March 2019.

Financial review

Education Scotland is funded by the Scottish Government through the Education and Skills Portfolio. The financial results for 2020-21 are reported in the financial statements.

The total budget allocated at the start of the year was £26.604m and a further £14.543m of budget was transferred from the Scottish Government during the year to fund additional costs arising from Education Scotland's enhanced remit and also for other transfers of responsibilities which were outwith the core remit.

During the year, the Scottish Government transferred £1.7m to Education Scotland to support the National e-Learning Offer. The National e-Learning offer complements the online learning being provided by schools, local authorities and Regional Improvement Collaboratives across Scotland. The resources include:

- On-line interactive resources for learners;
- Resources for practitioners preparing on-line learning;
- Professional learning resources for staff working remotely with learners on-line

The final budget for 2020-21 was £41.147m. Overall expenditure for the year was £40.216m, resulting in an underspend of £0.931m.

2020-21	Original Budget £000	Updated Budget £000	Outturn £000	Variance £000
Cash Resource Expenditure (RDEL)	23,384	36,758	35,729	(1,029)
Non-Cash Resource Expenditure (RDEL)	420	150	140	(10)
Annually managed Expenditure (AME)	0	572	572	0
Total Expenditure scoring against Resource Budgets	23,804	37,480	36,441	(1,039)
Capital Expenditure	2,800	3,667	3,775	108
Total	26,604	41,147	40,216	(931)

Cash resource variances – underspend of £1.029m

The underspend in the resource budget was due to the following:

- Grant expenditure fell below the level expected as grantees were not able to spend all of the monies awarded and unspent funds were returned (£598k);
- There were significant difficulties in recruiting staff during the pandemic and a number of posts remained unfilled (£259k);
- Other operating costs – Planned activities were delayed further due to Covid restrictions and there was a reduction in costs for some activities which were hosted on-line (£122k);
- Due to Covid restrictions, travel and subsistence costs were significantly under the budget set at the start of the year. The budgets were reviewed and updated in

December, however, further delays in activities resulted in an underspend on the revised budgets (£50k).

Non Cash resource variance – underspend of £0.01m

The non-cash budget covers depreciation charges and this was adjusted during the year to reflect the expected depreciation charge for the year.

Capital Expenditure – overspend of £0.108m

The overspend on capital related to the purchase of additional laptops. Education Scotland has a rolling programme of refreshing its pool of laptops. Due to COVID-19, staff have been working remotely over the course of the year and the laptop refresh was accelerated to ensure that all staff had reliable IT kit.

Other Significant Variances

Staff costs

Overall, staff costs fell slightly to £26.408m in 2020-21 (2019-20 £26.545m). Permanent staff numbers increased by seven and permanent staff costs increased accordingly. However, changes in Education Scotland's activities during the COVID-19 pandemic have resulted in a reduction in requirement for temporary staff. For example, the pause in inspections has meant that there was no requirement for additional support from serving teachers to assist in the inspection process and this is reflected in the costs of 'Other' staff in the staff report (p69).

Operating income

Operating income for 2020-21 was higher than in 2019-20 mainly because of additional income from charges for Scottish Wide Area Network (SWAN) services. During the pandemic, Local Authorities relied more heavily on digital services and Education Scotland arranged for some services to be provided via the SWAN contract. The additional cost of these services was passed on to the Local Authorities.

Purchase of Goods and Services

The total cost of goods and services was £8.076m in 2020-21 compared to expenditure of £9.798m in 2019-20. Some areas saw an increase in costs, for example, expenditure on Glow services increased to provide additional support for teachers and students who were working remotely. There were also additional costs for contractors who were engaged in providing support for delivery of digital services.

However, most other areas saw a decrease in costs due to changes in activities during the pandemic. The largest reduction was in travel and subsistence expenditure with costs of only £0.031m in 2020-21 compared to £1.289m in 2019-20.

During 2020-21 Education Scotland ran some on-line events to support practitioners but the number of events was limited and the costs were offset by credits for cancelled events.

Expenditure on accommodation (Rent, rates, utilities and maintenance) also fell in 2020-21 due the reduced running costs of office spaces.

Provisions

Provisions have been set up in year to set aside funds for expenditure in future periods. These include the dilapidations costs for Education Scotland's office space and a provision for potential VAT costs which is awaiting a ruling from HMRC.

Finance Strategy

Education Scotland's Corporate Finance Strategy covers three years from 2020-23. The total budget allocated to Education Scotland by Scottish Ministers is finite and the finance strategy is designed to ensure that Education Scotland is able to deliver its strategic objectives in ways that make the best use of the funding available. The key objective of the Education Scotland finance strategy is to deliver the Corporate Plan in a way which maximises outcomes from the available budget.

Looking forward to 2021-22

	2020-21 Budget £000	2021-22 Budget £000	Explanation of Variance
Cash Resource (RDEL)	23,384	27,384	Additional £4m in 2021-22 to fund enhanced remit.
Non-Cash Resource (RDEL)	420	300	Budget reduced to reflect expected depreciation charge.
Capital	2,800	2,200	Capital budget in 2021-22 is to complete the digital transformation project.
Total	26,604	29,884	

On 3 June 2021, the Cabinet Secretary for Education and Skills announced that would be a review of Education Scotland. A further statement of 22 June, in response to the OECD report, confirmed that there would be reforms to Education Scotland which would include removing the function of inspection from the agency. Until the review is complete, delivery of Education Scotland's current business objectives will continue as planned and changes to the delivery bodies are not expected during 2021-22.

As restrictions imposed during the COVID-19 pandemic are eased during 2021-22, there will be a return to more usual ways of delivering Education Scotland's objectives. Recruitment of staff will restart and there will be a gradual increase in non-staff costs.

The public sector as a whole will face significant financial pressures during 2021-22 as the costs of COVID-19 related expenditure are managed alongside delivery of other objectives. Education Scotland will face challenges in a difficult economic climate and as activities are re-started it is critical that delivery of the organisation's objectives maximises value to the public purse. Careful management of resources and close monitoring of budgets will be key to delivering Education Scotland's strategic priorities within the budget allocated. Education Scotland will aim to capitalise on any lessons learned during 2020-21, particularly in terms of new ways of working which were implemented during the pandemic.

Payment of suppliers

Education Scotland policy is to pay all invoices not in dispute within 30 days from receipt of the invoice or the agreed contractual terms if otherwise specified. The agency aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms. The agency paid one payment of £40 under the *Late Payments of Commercial Debts (interest) Act 1988*.

The agency has a target of paying all invoices within ten days which is above and beyond our contractual commitment. For the year ended 31 March 2020, Education Scotland paid 99.3% of invoices within ten days (2019-20 97.7%).

Going concern

The results of the Statement of Comprehensive Net Expenditure and the financial statements have been prepared on a going concern basis. The services currently delivered by Education Scotland are expected to continue although future delivery of some services is likely to be via newly formed public bodies. Services will continue to be delivered using the existing assets and therefore the going concern concept continues to apply. The financial statements for the year ended 31 March 2021 show comprehensive net expenditure of £36.441m and a net assets position of £0.254m.

Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of the agency. For the period 2016-17 to 2021-22, the Auditor General has appointed Audit Scotland to undertake our audit. The audit fee for 2020-2021 is £37,040. The general duties of the auditors, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Auditors' remuneration is a notional charge, as notified to us by our auditors, in respect of audit work carried out during 2020-21. No other services were supplied by Audit Scotland during the period ended 31 March 2021. Internal audit is covered by a service level agreement with the Scottish Government Internal Audit Division.

SUSTAINABILITY REPORT

Introduction

Education Scotland was established on 1 July 2011 as an Executive Agency of Scottish Ministers under the terms of the Scotland Act 1998.

This report includes key carbon management and other environmental sustainability information on how Education Scotland can demonstrate progress towards achieving the targets and actions as set out in the Climate Change (Scotland) Act 2009 and amended by The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 sets out interim targets for Greenhouse gas reductions of at least 75% by 2030 and 90% by 2040 from the baseline levels (1990).

For the purposes of emissions reporting, levels from 2014/15 are treated as baseline, in line with the Public Bodies Climate Change Duties Report.

The full range of targets representing percentage reduction from the baseline, is shown in the table on the next page.

2020 (interim target)	56.0%	ES CO2 emissions target (tCO2e)
2021	57.9%	382.3
2022	59.8%	365.0
2023	61.7%	347.8
2024	63.6%	330.5
2025	65.5%	313.3
2026	67.4%	296.0
2027	69.3%	278.8
2028	71.2%	261.5
2029	73.1%	244.3
2030 (interim target)	75.0%	227.0
2031	76.5%	189.9
2032	78.0%	155.8
2033	79.5%	122.9
2034	81.0%	94.9
2035	82.5%	69.9
2036	84.0%	61.2
2037	85.5%	52.9
2038	87.0%	45.2
2039	88.5%	38.0
2040 (interim target)	90.0%	31.3
2041	92.0%	23.7
2042	94.0%	16.7
2043	96.0%	10.5
2044	98.0%	4.9

2045

**100% (net-zero
emissions)**

0.0

Education Scotland monitors its performance to ensure compliance with the above targets.

The majority of Education Scotland's emissions are related to travel, which is directly linked to the way our business is carried out.

We will explore possible solutions as part of our plan to use clean transport, but the wider transport strategy will form an important part of the solution.

The Government plan to ban sales of new petrol and diesel cars across the UK from 2030, will ensure that wider infrastructure to use electric cars is in place. This will enable Education Scotland to revise its travel policy and ensure that all rented cars are electric.

In this sustainability report Education Scotland shows its performance against existing targets to reduce CO₂ emissions, energy and water used in buildings, work-related transport, and waste collected from estate, amount of materials recycled and associated costs.

Summary of performance 2020/21

The overall sustainability performance has been influenced by the sudden change in the way of working during the reporting year. This change was a direct result of the pandemic.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 provides interim targets which need to be met to ensure sufficient progress is made towards the overall net-zero emissions deadline in 2045.







According to those targets, during 2020/21 Education Scotland has met the emissions reduction required by 2040.

Better working mechanisms will have to be developed to capture emissions resulting from homeworking. This is especially with regards to use of water and waste generation.

Education Scotland faced many challenges during the past year and working from home has presented another challenge with regards to assessing the real impact of the organisation's emissions.

There is no accurate mechanism to measure this, therefore the methodology which was described in the [whitepaper produced by EcoAct](#) in partnership with Lloyds Banking Group and NatWest Group, has been adopted to assess our emissions associated with electricity use during homeworking.

Performance table

Area	Target	Progress made	Status
Overall Greenhouse gas emissions	Year on year reduction of greenhouse gas emissions in line with the targets as set out in The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.	Carbon emissions have decreased from the last reporting year. This year: Energy – 29.7 (t) Waste – 0.3 (t) Water – 0.6 (t) Travel – 0.9 (t) Total - 31.5 (t)	
Energy	Year on year reduction of energy usage.	Energy consumption decreased by more than 17% across the Education Scotland, from the previous year. This is partly due to the LED project in Glasgow, however the real impact of this project could not be accurately measured due to the COVID-19 pandemic. Total emissions associated with use of electricity have increased from the previous year. This is due to homeworking, for which it is assumed that standard tariffs are used (not 100% renewable).	
Waste	Year on year reduction of generated general waste.	The report shows a slight decrease in waste generation, however, this is an estimate as the accurate figures were not available for this reporting year.	
Recycling	Year on year increase in waste recycled.	It is not possible to show the accurate impact or scale of recycling due to homeworking and ongoing changes to our reporting. It is likely that recycling could be negatively impacted by homeworking. More accurate reporting will be available for 2021/22.	
Water	Year on year reduction in water usage.	Estimated water consumption has decreased by more than 75% from the last reporting year although this is only in relation to consumption in offices, based on estimated bills.	
Travel	Year on year reduction in our level of travel per capita.	Travel is Education Scotland's main contributor to Carbon emissions. The COVID-19 pandemic resulted in lockdown which has directly affected travel levels and therefore the emissions. The overall level of travel has decreased by more than 99% from the last reporting year.	

Carbon footprint table

Reference Year	Year	Scope1	Scope2	Scope3	Total	Units	target
Baseline carbon footprint	2014/15	18	432	458	908	tCO2e	908
Year 1 carbon footprint	2015/16	15	339	483	837	tCO2e	808.12
Year 2 carbon footprint	2016/17	3.65	325.46	327.45	657	tCO2e	708.24
Year 3 carbon footprint	2017/18	4.53	193.87	252.9	451	tCO2e	599.28
Year 4 carbon footprint	2018/19	1.36	127.19	366.27	495	tCO2e	499.4
Year 5 carbon footprint	2019/20	0.54	0	366.72	367.26	tCO2e	399.52
Year 6 carbon footprint	2020/21	0	20.6	10.9	31.5	tCO2e	382.3

Greenhouse Gas emissions and energy		2019/20	2020/21
Non-financial indicators (tonnes CO ₂ e)	Total emissions	0	29.7 (including 9.1 tonnes in relation to transmission losses)
	Electricity non renewable	0	88 (homeworking)
Related energy consumption (mWh)	Electricity renewable	551	367(offices)
	Expenditure on energy (exclusive of VAT)	74	62

Notes: The figures used to work out emissions were calculated by multiplying electricity is kwh by the relevant multiplier as specified in the [Greenhouse gas reporting: conversion factors 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020)

In the Budget on 16 March 2016, the Chancellor of the Exchequer announced that the government has decided to close the CRC scheme following the 2018-19 compliance year.

Greenhouse Gas emissions and energy - performance, targets and commentary

Education Scotland has completed the project to replace the lighting to LED in one of the main offices.

The COVID-19 pandemic meant that all our staff have been working from home, meaning that we have not been able to see the real impact of our project.

Furthermore, the pandemic affected emissions due to staff working from home.

Education Scotland uses the Scottish Government appointed supplier of electricity in offices in Dundee and Livingston, and a landlord appointed supplier in our office in Glasgow.

Tariffs from the Scottish Government appointed supplier are 100% renewable. The landlord of the Glasgow office has confirmed that the tariff used in Glasgow is 100% carbon offset. However, there is no viable way to collect this information regarding tariffs used by staff at home.

Homeworking calculations methodology

The first variable which must be determined is the hours during which the energy usage must be calculated. We have calculated this by deducting the 30 days of annual leave and 11.5 days for public and privilege holidays from the number of days in a year. We then assumed a standard 5-day, 37hr week (7.4hr/day):

$365 - (30 + 11.5) = 46.2$ working weeks

$46.2 \text{ (working weeks)} * 5 \text{ days per week} = 231 \text{ working days per year}$

$231 \text{ (days/year)} * 7.4 \text{ hours} = 1,709.4 \text{ working hours per year [WHpa]}$

$1,709.4 \text{ Working Hours} / 12 = 142.45 \text{ working hours per month [WHpcm]}$

As explained in the [EcoAct whitepaper](#), the average “in use” power load per desk has been calculated in CIBSE Guide F (2012) as 140W. This allows for a laptop or PC, monitor, phone and printer. This is the most up to date version of the CIBSE design guide available, and it remains applicable for 2020.

The use of lighting in the home office should also be accounted for and for the purposes of this methodology, we have assumed an allowance of 10 Watts for lighting throughout the year.

The White Paper also states that “there is likely to be some additional electricity consumption which could arise through supplementary heating or cooling e.g. desk fans or small portable heaters (instead of using the whole house heating system) but due to the high degree of variability expected, coupled with the low statistical proportion of homes (approximately 3%) reported to use portable electric heating, this is not included within the base case estimation.”

[A] $140W * \# \text{Homeworking FTE} * WHpa / 1000 = \text{Workstation kWh}$

[B] $10W * \# \text{Homeworking FTE} * WHpa / 1000 = \text{Lighting kWh}$

[A] + [B] = Total Electricity

Education Scotland reports 344.72 FTE during the year 2020/21 therefore the calculation for homeworking electricity usage will be:

[A] $140W * 344.72 * 1,709.4 / 1000 = 82,497$

[B] $10W * 344.72 * 1,709.4 / 1000 = 5,893$

Total estimated electricity usage associated with homeworking = 88,390

Waste and recycling		2019/20	2020/21
Non-financial indicators (tonnes)	Total volume of waste (not inc. construction)	19	13
	Non-hazardous waste	19	13
	Hazardous waste		0
Financial indicators (£k)	Total waste disposal cost	5	4.2
Greenhouse gas emissions (tonnes)	Emissions	0.41	0.3
Waste and recycling Performance, targets and commentary			
<p>At the start of the reporting year, it was estimated that overall waste generation figures should be lower during the year 2020/21 due to staff working from home, however it was not possible to calculate the actual waste generation associated with homeworking.</p> <p>During 2020/21 Education Scotland staff worked from home due to COVID-19 pandemic. As a result of this, office related waste generation has decreased significantly.</p> <p>Office related waste generation estimated figures remained in two of our buildings, throughout the majority of the year. This means that emissions related to waste are reported on a similar level to the previous year. We believe that the true figure is lower.</p> <p>Education Scotland has also worked with the service contractor to ensure the accuracy of figures from 2021/22. Some estimation will be used when actual weight will not be possible to establish, but in most circumstances, our reports will show the actual weight.</p> <p>Our major contractor continues to sort general waste to recover any recyclables, and the residue which can't be recycled is made into refuse derived fuel for energy from waste plants to produce heat and power.</p>			

Water		2019/20	2020/21
Non-financial indicators (m3)	Consumption	*2368	*575
Financial indicators (£k)	Water supply costs	*26	*20
Greenhouse gas emissions (tonnes)	Emission factors - 0.344 kg CO2e/m3 for water supply and 0.708 kg CO2e/m3 for water treatment (at 95% of total usage)	0.81	0.6
<p><i>Note: Non-financial indicators include water supplied and water treatment. Water treatment is calculated on the basis of 95% of the total usage.</i></p> <p><i>* Includes full year estimates for the Glasgow office due to the building being shared with other occupants. Figures do not include the Dundee office due to the landlord not providing data in time for this report.</i></p>			
Water Performance, targets and commentary			
<p>Education Scotland's reported figures are % estimates from the total building usage. This is due to meters serving buildings rather than the office space used by the organisation.</p> <p>During 2020/21 all Education Scotland staff worked from home. Estimation of consumption for staff working from home was not possible and the above figures relate only to office related usage.</p>			

Travel	2019/20	2020/21
Rail (miles)	513,954	58
Rail Greenhouse gas emissions	36.6	0
Air (passenger mile)	181,492	209
Air Greenhouse gas emissions	87.1	0.1
Motor (miles)	831,787	2,945
Motor Greenhouse gas emissions	241.8	0.8
Fleet (miles)	2,291	0
Fleet (diesel) Greenhouse gas emissions	0.54	0
Financial indicators (£k)	561	5
Travel Performance, targets and commentary		
<p>Travel is necessary in carrying out Education Scotland's role in supporting quality and improvement in Scottish education. During 2020/21 our level of travel has significantly decreased on the last reporting year, but this is mainly due to all staff working from home. Some travel was necessary, however, the overall mileage has dropped by more than 99% year on year as a result of the COVID-19 pandemic. Travel has reduced from 1,527,233 miles in 2019/20 to 3,212 in 2020/21.</p> <p>The overall emission levels resulting from transport have decreased in line with the travel level, by more than 99%.</p> <p>Education Scotland continues to participate in the Scottish Government Carbon Emissions Scheme whereby a mandatory £1 levy is charged when a hire car is booked for official business. The levy is returned to the Scottish Government's carbon levy pot for donation to environmental causes.</p> <p>Travel will remain an area of focus for Education Scotland, however, future emission levels associated with travel, will be largely dependent on the wider policy regarding electrification/decarbonisation of transport.</p> <p>Video conferencing has played crucial role during the COVID-19 pandemic and it has been shown that Education Scotland can utilise it more efficiently in order to reduce the overall travel needs.</p>		

Other: Procurement
Performance, targets and commentary

Education Scotland follows the Scottish Government's principles of procurement and our procurement policy includes a requirement to ensure that contract specifications reflect the Scottish Ministers approach to sustainability and where appropriate form part of the evaluation of tenders and conditions of contract.

Education Scotland recognises the importance of a good procurement service in helping us deliver our objectives.

Education Scotland has and will continue to enforce a minimum order value for stationery to reduce the number of deliveries.

Education Scotland monitors paper usage through our stationery suppliers. Our paper consumption has decreased by 1,202 reams from the previous year. This equals to saving of 3 tonnes of paper, with a huge positive impact on the environment. Technology will continue to be promoted in Education Scotland to influence reduction in paper consumption.

Public bodies Climate change duties reporting

A [Statutory Order](#) came into force on 23 November 2015 requiring public bodies to report annually to Scottish Ministers on their compliance with climate change duties.

The Public Bodies Climate Change Duties Reporting provides a solid basis for tracking public sector action on climate change and driving continuous improvement.

Each year we submit our climate change duties report, detailing the climate change performance of our estate for that financial year.



Gayle Gorman
Chief Executive 7 July 2021

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Gayle Gorman is the Chief Executive and Accountable Officer for Education Scotland. She is supported by the Advisory Board.

During the year we reviewed our governance structure to ensure it was flexible, efficient and well placed to deal with the challenges caused by the coronavirus pandemic. Full details of the governance structure and risk management arrangements in operation in the Agency are provided as part of the Governance Statement (page 50).

Education Scotland Advisory Board

The Advisory Board is chaired by the Chief Executive and includes the Education Scotland Strategic Directors and 6 Non-Executive Board Members.

Chief Executive & Accountable Officer	Gayle Gorman
Strategic Director	Alan Armstrong (retired 30 April 2021)
Strategic Director	Ollie Bray (appointed 1 February 2021)
Strategic Director	Craig Clement (appointed 11 January 2021)
Strategic Director	Gillian Hamilton
Strategic Director	Janie McManus
Strategic Director	Maria Walker (retired 16 October 2020)
Interim Strategic Director	Gill Ritchie (appointed 1 March 2021)
Interim Strategic Director	Patricia Watson (appointed 1 March 2021)
Non-Executive Board Members	John Fyffe (appointed 1 November 2017) Aileen Ponton (appointed 1 July 2019) Ray McCowan (appointed 1 July 2019) David Gemmell (appointed 1 July 2019) Kevin Kelman (appointed 11 November 2019) Lyndsey McRoberts (appointed 11 November 2019)

Company Directorships and other significant interests

None of the directors held any company directorships or other significant interests which conflicted with their management responsibilities. A register of the interests of the Directors is maintained and attendees are required to disclose any conflict of interest at both Advisory Board and Audit and Risk Committee meetings.

Incidents reported to the Information Commissioners Office (ICO)

There no data breaches notified to the ICO during the reporting year.

Statement of Accountable Officer's Responsibilities

Under section 19 of the *Public Finance and Accountability (Scotland) Act 2000*, the Scottish Ministers have directed Education Scotland to prepare a statement of accounts for each financial year in conformity with the accounts direction included at the end of the notes to the accounts of these financial statements, detailing the resources required, held or disposed of during the year and the use of resources by the agency during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the agency's state of affairs at the year end and of its net resource outturn, recognised gains and losses, and cash flows for the financial year.

The Principal Accountable Officer of the Scottish Government appointed the Chief Executive of Education Scotland as the Accountable Officer. As Accountable Officer, the Chief Executive is responsible to the Scottish Ministers.

In preparing the accounts, the Accountable Officer is required to comply with the Government Financial Reporting Manual (FReM), and in particular to:

- observe the accounts direction issued by the Scottish 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 FReM, have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the agency will continue in operation.

The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the agency's assets, are set out in the Memorandum to Accountable Officers from the Principal Accountable Officer published in the Scottish Public Finance Manual.

Disclosure of relevant audit information

As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.

Accounts Direction

The accounts have been prepared in accordance with a direction given by the Scottish Ministers in pursuance of the Public Finance and Accountability (Scotland) Act 2000. This direction is shown as an appendix to the accounts. As the Accountable Officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Education Scotland Governance Statement 2020-21

This Governance Statement aims to provide a clear understanding of Education Scotland's internal control structure, detailing the Agency's governance and risk management framework in place during 2020-21 and up to the approval of the 2020-21 Annual Report and Accounts.

Scope of responsibility

As Accountable Officer for Education Scotland, I have responsibility for maintaining a sound system of risk management and internal control. This system supports the achievement of the Agency's policies, aims and objectives set by the Scottish Ministers, while safeguarding the public funds and assets for which I am personally responsible in terms of section 15 of the Public Finance and Accountability (Scotland) Act 2000.

In the discharge of these personal responsibilities, I ensure organisational compliance with the Scottish Public Finance Manual which is issued by the Scottish Ministers and which provides guidance on the proper handling and reporting of public funds. It emphasises the need for efficiency, effectiveness and economy, whilst promoting good practice and high standards of propriety.

My accountability is subject to the respective overall responsibilities of the Permanent Secretary of the Scottish Government as the Principal Accountable Officer, and the Director General Education and Justice (previously Director General for Education, Communities and Justice) as Portfolio Accountable Officer.

I confirm that, as far as I am aware, there is no relevant information of which our auditors are unaware, and that in my role as Accountable Officer I have taken all necessary steps to make myself aware of any relevant information and to establish that the our auditors are aware of that information.

Education Scotland Governance Framework

Education Scotland's Governance Framework comprises the systems, processes and values within which we operate. Our system of internal control and assurances are in line with the Scottish Public Finance Manual mentioned above and seek to identify the principal risks to the achievement of our policies, aims and objectives.

The Agency's Governance Framework has continued to be kept under review throughout 2020-21 to support our need to be agile and flexible in responding to the Coronavirus pandemic. Our revised governance arrangements included the Leadership Team meeting, for a period, on a daily basis, thinking and planning around emergency delivery, supporting a new normal and then recovery planning, considering the role of Education Scotland in each of these phases and what we needed to do to support learners and educators across Scotland.

We also refreshed our Corporate Plan to ensure we could continue to lead and support the system, focussing on working in partnership with colleagues from across the wider organisation to provide bespoke support to individuals, schools and local authorities, taking a People and Place approach.

As we moved into the recovery stage we set up a new Oversight Board to oversee and monitor the Agency's recovery activity and support for the sector, ensuring that this work remained aligned with the refreshed Education Scotland Corporate Plan and delivered agreed objectives and outcomes. I chair this Board and membership comprises the Strategic Directors and senior representatives from across the Agency's Directorates.

We have also launched our Transformation Programme which aims to update the business processes and supporting technical platforms in use across the organisation, to ensure Education Scotland is better placed to support Scotland's teachers and their support of learners. The Programme has an Integrated Assurance and Approval Plan detailing the programme's governance structure, the approval routes for change management, financial management and risk management and the internal and external assurance routes available.

Leadership Team

I am supported in my role as Accountable Officer by my Leadership Team which comprises the Agency's Strategic Directors and myself. The Leadership team is the Agency's most senior formal decision making group, responding to strategic and corporate issues and responsible for shaping the systems and structures required to deliver our remit.

There have been a number of changes to the Leadership Team over the reporting period, including the retirement of two Strategic Directors who had responsibility for Regional Working and National Improvement respectively. Two new Strategic Directors were therefore appointed in early 2021 and since then we have reorganised the main aspects of our work across the team and appointed an additional two interim appointments to provide additional capacity and capability to ensure coherence and collective impact at the most senior level.

The significant challenges resulting from the Coronavirus pandemic required the Leadership Team to move to daily or twice daily Leadership Team meetings for a period. Since then we have settled into weekly formal Leadership Team meetings, designed to satisfy our governance requirements, coupled with weekly discussion meetings focussed on educational recovery and hot topic discussions.

Advisory Body

I am also supported by our Advisory Board, which I Chair and which includes six Non-Executive Members (shown in the Director's report) as well as my Leadership Team. One of the non-executives had their appointment extended during 2020-21.

The Advisory Board considers the overarching strategy, direction, performance and governance of Education Scotland, with non-executive members acting as critical friends and providing constructive challenge and advice. The advisory nature of the Board is one that is set out in the Scottish Government's publication 'On Board: A Guide for Members of Management Advisory Boards'.

With the challenges facing the sector, we increased the number of times the Advisory Board met during 2020-21. There were four formal Board meetings and four strategic sessions. Two development sessions were also offered, one delivered by the Public Bodies Unit of

the Scottish Government for non-executives and one On Board session for the Agency's executive and non-executive members.

During the year, the Director General for Education, Communities and Justice attended one Advisory Board meeting in his capacity as Portfolio Accountable Officer.

Audit and Risk Committee

Our Audit and Risk Committee (ARC) is chaired by John Fyffe, one of our non-executives. The membership of ARC also includes 2 other Non-Executive Members and one Independent Audit and Risk Committee Member who has relevant and recent financial experience.

ARC provides independent scrutiny of our strategic approach to risk, control and governance, accounting policies and accounts, and audit plans and reports. This Committee met four times during the year. To ensure that all members of the Advisory Board are sighted on the work of ARC, a formal, written report is tabled at every Advisory Board meeting following ARC.

The chair of the Committee also submits an Annual Statement of Assurance to me as Accountable Officer.

As Accountable Officer I routinely attend the Audit and Risk Committee with other key personnel from across Education Scotland.

Internal and external auditors also attend and their work helps inform the assessment of our risk management, control and governance processes. They also regularly meet with ARC members without executives in attendance.

Transformation Board

The Transformation Programme seeks to implement new digital tools and services, affect cultural and business change within the organisation and to embed the Scottish Approach to Service Design across the work of Education Scotland. The Transformation Board was set up to drive the programme forward and to ensure outcomes and benefits are delivered. It is chaired by the Programme's Senior Regional Officer (SRO), an Education Scotland Strategic Director. The original SRO retired towards the end of 2020 with her replacement, Craig Clement, appointed in January 2021. Since its creation, the Transformation Board has met on a monthly basis.

The programme's budget and the nature of delivery, primarily through digital services, means that it is subject to assurance by the Scottish Government's Digital Assurance Office. Primarily this assurance is via the Technology Assurance Framework (TAF) and the Digital First Service Standard.

Sub Boards

A number of additional boards formed part of the Governance Framework in operation during the year, namely:

- Oversight Board, which was set up in November, meeting initially on a fortnightly basis before moving to monthly.
- Directorate Management Boards, the frequency of meetings varying across Directorates but generally each Directorate is holding formal board meetings monthly as a minimum.
- Partnership Board which now meets on a bi-monthly basis. We also introduced informal catch ups in between meetings, with the Partnership Board meeting formally on 7 occasions and informally five times during 2020-21. Membership included representatives from the Agency and key Trade Unions officials.
- Health & Safety and Well-Being Committee which has met 4 times during 2020-21.

All meetings were conducted virtually following the move to remote working.

Internal Audit

Internal Audit provides independent assurance on the adequacy and effectiveness of the systems of governance, controls and financial management. The work of Internal Audit is informed by the Agency's corporate risk register and by an audit needs assessment undertaken by the auditors, using their cumulative audit knowledge and experience of Education Scotland, against the context of the global pandemic.

Internal Audit carried out 3 audits in 2020-21:

- **HR Processes - Reasonable assurance**

The key risks identified related to issues in practice with the Scottish Government HR Shared Service agreement not meeting Education Scotland expectations and the need for improved documented internal procedures for key internal Education Scotland HR processes.

As a result, service issues are now raised through the Scottish Government HR Business Partner and discussions between Education Scotland HR and Scottish Government HR regularly take place to resolve these. Work is also underway in the Scottish Government to look at the future of Scottish Government corporate services delivery, including HR. This will set out the direction of travel in the short, medium and longer term and engagement with shared service stakeholders, including Education Scotland, is an integral part of that.

Work is also underway to fully document our internal HR procedures to ensure consistency in approach. Local processes for supporting recruiting managers are now in place and work is underway to increase documentation and action in relation to our attendance processes.

- **Financial Management - Substantial assurance**

The key risk identified in this audit was related to short term financial planning and work is underway to develop a medium term financial plan to help manage financial risks, support future decision making and identify efficiencies.

- **Workforce Planning - Reasonable assurance**

The development of a Strategic Workforce Plan to support financial and recruitment planning has been a significant step forward for the agency. The need to formalise the arrangements for the Workforce Planning Group was identified as an area for improvement, along with the need to better track workforce planning source data and any amendments to it.

Both have since been addressed, with a formal Terms of Reference setting down the membership and ways of working for the Workforce Planning Group. All workforce planning data is now reconciled against Scottish Government HR MI, with amendments captured and recorded in the Workforce Planning Report.

Internal Audit also carried out 2 follow up audits:

- Organisational Development
- Risk Management

Following their work above, Internal Audit have provided me, as Accountable Officer, with an overall assurance opinion of “**Reasonable**” for 2020-21.

In arriving at their opinion, they relied primarily on the results of their direct work, informed by their cumulative audit knowledge and experience of Education Scotland and against the context of the global pandemic. They also took a number of additional factors into account, including the overarching assurance landscape surrounding Education Scotland. This included work undertaken in relation to shared services by other DIAA Internal Audit Teams and the effectiveness of the Audit and Risk Committee and the discharge of its remit.

External Audit

The Auditor General for Scotland is responsible for auditing the Agency’s accounts. The appointed auditors are currently Audit Scotland. Their responsibilities under Audit Scotland’s Code of Audit Practice require them to assess our system of internal control. In doing so, they seek to gain assurance that the agency:

- has systems for recording and processing transactions which provide a sound basis for the preparation of the financial statements
- has systems of internal control which provide an adequate means of preventing and detecting error, fraud or corruption
- complies with established policies, procedures, laws and regulations.

Audit Scotland completed their interim work for 2020-21 and noted no significant issues from this testing.

Risk

We advocate proactive risk management throughout the Agency, seeking to create an environment where staff understand the value of risk management, are supported to make appropriate risk-based decisions and to take personal responsibility for the management of risk at every level. As such, the main priorities of Education Scotland's risk management strategy are the identification, evaluation and control of risks which threaten our ability to deliver our objectives. As part of this, the Advisory Board has agreed a risk appetite statement which underpins the Agency's approach to risk management and control.

In line with our Strategy, each Directorate has maintained a risk register in 2020-21, reporting up, or escalating to, Oversight Board and/or Leadership Team as required. Programmes and projects continue to have dedicated governance arrangements in place to allow for upward reporting.

At an organisational wide level we also maintain an Education Scotland risk register which records the highest level internal and external risks that we are exposed to and identifies mitigating actions to reduce the threat of these risks occurring, minimising their impact should they materialise. Each risk is categorised, described and allocated a responsible owner who is empowered to make informed decisions on how risks are managed and/or mitigated.

A risk report is submitted to the Leadership Team on a quarterly basis with the Leadership Team reviewing the status of each risk in the context of the overall environment in which the organisation exists. Discussions have focussed on the progress of mitigations, allowing for the identification of new remedial actions and the consideration of any emerging risks.

The Audit and Risk Committee also reviews the Education Scotland risk register at each of its meetings and provides comments or advice on the overall risk profile of the organisation. The Chair of the ARC formally reports to the Advisory Board after each meeting, advising on whether the risks arrangements are working as intended.

We recognise, however, that our risk arrangements are not yet fully embedded across the organisation. Having delivered risk management training for key members during 2020-21, we will therefore extend this during the coming year, rolling out further training in conjunction with the Scottish Government. We are also carrying out a review of our current risk arrangements to identify what more we can do to strengthen our arrangements.

Data Protection

We recognise the need for information to be protected, managed and valued appropriately and we therefore appointed a permanent Head of Information Governance during the reporting period.

All employees are required to complete mandatory online training covering both data protection and information management on an annual basis.

There were 5 minor data issues during the year. In each case action was taken to ensure that the impact of any breach was minimised and where required, appropriate procedures were put in place to minimise the likelihood of any future recurrence. None of the incidents

constituted a significant lapse in data security and so did not warrant escalation to the Information Commissioner's Office.

We previously identified a need to review and strengthen our information governance arrangements and having appointed a permanent Head of Information Governance we carried out an organisational wide exercise to evaluate Education Scotland's information governance maturity level. One of our Non-Executive Board Members was involved in order to bring an independent view to this work. The results of that evaluation are informing the development of a prioritised Information Governance Improvement Plan which will commence in 2021-22. During the reporting period we also delivered specific training for the Agency's Information Asset Owners and we will seek to build on this over the coming year.

Staff well-being

Staff well-being has been a core organisational priority for Education Scotland over the reporting period, particularly with the move to remote working. A wide range of support and guidance has been made available to staff, including;

- the launch of a new monthly wellbeing update to provide staff with tips and advice on looking after their mental and physical health;
- the delivery of a range of Staff Blethers and Education Scotland Days covering a range of topics including how to have effective wellbeing conversations;
- various wellness interactive sessions and webinars covering a wide range of topics from stress, to online nutrition workshops to mindfulness and yoga sessions;
- personal calls to all members of staff to check-in on their individual wellbeing and to discuss any additional support and advice which may be required;
- regular advertisement of the range of confidential support and guidance that is available from a wide range of sources including Scottish Government and the Charity for Civil Servants; and
- set up of an implementation group to focus on addressing feedback arising from the results of the People Survey 2020, reviewing the detail of the results and considering what future actions can be put in place to best support colleagues.

Following the success of the Staff Blether sessions during the summer of 2020 we have also introduced regular Connect with Colleagues sessions. These are delivered by Education Scotland staff for Education Scotland staff, and provide an environment for colleagues to come together for discussion and dialogue on a wide range of topics including juggling work and home learning/caring responsibilities.

Assessment of Corporate Governance Arrangements

I am fully committed to the continued improvement of our corporate governance arrangements, building on our strengths and addressing areas identified for improvement. We therefore kept our governance arrangements under review throughout the reporting period with a number of areas for improvement identified and recommendations implemented.

Issues identified included a lack of external challenge and scrutiny at Directorate Management Boards (DMBs) which has been addressed by extending membership from out with the Directorate to all DMBs. Not only has this delivered an element of peer review but it has also helped deliver better cross agency working and understanding.

The potential for a gap in oversight arising from responsibility for Digital Services straddling the remits of two Strategic Directors was also identified. This was addressed by having the digital function report wholly into the Corporate Services DMB and appointing the Strategic Director of National to that Board to ensure comprehensive oversight of digital issues. With the recent changes to the Leadership Team we have since reviewed Strategic Director remits and consolidated responsibility for Digital Services under one Strategic Director.

An addition, an issue with a contract was recently identified which we are currently seeking to resolve. Both internal and external auditors are sighted on the issue and our work to address this.

Towards the end of the reporting period, the Cabinet Secretary for Education and Skills made a statement to the Scottish Parliament on 3 June 2021 noting that the Scottish Government would be considering the role, remit, and purpose together with the functions and governance arrangements of both Education Scotland and the Scottish Qualifications Authority (SQA) as part of a wider commitment to education reform.

The Cabinet Secretary stated that key priorities of any review would be informed by the findings of the Organisation for Economic Co-operation and Development (OECD) review of Curriculum for Excellence which has since been published on 21 June 2021. This includes a range of recommendations on how to transform the Scottish approach to assessment and qualifications, based on best practice globally. The Cabinet Secretary has since confirmed that all 12 of the review's recommendations will be accepted in full.

Following a further update to Parliament on 22 June, we now know that Professor Ken Muir, CBE has been appointed to provide advice to the Scottish Government and the Cabinet Secretary for Education and Skills on aspects of education reform. This will include designing the implementation of the OECD's recommendations for structural changes to Education Scotland and the replacement of SQA. He will work with a dedicated and diverse advisory panel with a view to consulting widely. Professor Muir will begin this work in August 2021 and it is expected to conclude in around 6 months' after start date.

Working closely with Scottish Government, Education Scotland will have a key role to play in developing proposals for both our organisation, and for educational reform more widely. I welcome this as an opportunity to build on lessons learned during Covid and recovery, and to enhance new ways of working.

Other changes and improvements in 2020-21 included, but were not limited to:

- Creation of the Oversight Board, designed to drive and oversee the Agency's recovery plan activity;
- Creation of the Transformation Board to drive the programme forward and to ensure outcomes and benefits are delivered;
- The development of a new Complaints Handling Process in line with the SPSO Model Complaints Handling Procedure. This will roll out across the Agency early in 2021-22;
- Development of Unacceptable Actions guidance for Education Scotland, linked to the new Complaints Process;
- Development of a streamlined delegated approvals process and accompanying guidance for Ministerial and official correspondence;

- Development of a new Communications Strategy to raise awareness and understanding of the ways in which we are supporting the education community;
- Development of a new financial information note on Budget Planning and Monitoring, a key document for staff with financial management responsibilities, providing clear and concise information on the budget process.

As an organisation we are committed to a process of continuous development and improvement. As part of that we will continue to develop our governance arrangements in 2021-22, including implementing the following planned actions and improvements:

- The development of a new Corporate Plan;
- A full audit of our key information assets to ensure that these are being effectively managed and stored;
- Launch of the Agency's Information Governance improvement plan;
- Review of the Agency's risk management arrangements;
- Review of the Agency's Business Continuity Plan;
- Development of new Equality Outcomes for the Agency.

Review of the Effectiveness of Internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of Education Scotland's governance framework, including the system of internal control. My review is informed by:

- Regular review of and discussion of internal controls at Leadership Team, Advisory Board, Audit and Risk Committee and Oversight Board;
- Formal, written assurances from all the Strategic Directors about the operation and effectiveness of internal controls in the areas for which they are responsible;
- Through the regular and frequent meetings of the Leadership Team and systematic business review meetings with each individual Strategic Director
- The opinions of internal and external audit on the quality of the systems of governance, management and risk control;
- Independent assurance provided by Scottish Government's Digital Assurance Office in relation to our Transformation Programme;
- Updates and assurances provided by the Chair of the Audit and Risk Committee, coupled with the views of the Audit and Risk Committee on the Agency's assurance arrangements;
- Assurances from the Scottish Government's Director General Organisational Development and Operations in respect of the Scottish Government's human resources, payroll and financial systems which are used by the Agency;
- Regular formal monitoring of management information reports;
- Regular formal budget monitoring; and
- Periodic staff surveys.

The Agency's risk and control framework is based on an on-going process designed to identify the principal risks to the achievement of the Agency's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. While it can only provide reasonable and not absolute assurance of effectiveness, the wide range, and differing levels, of assurances available have not

identified any significant weaknesses. I am therefore satisfied that we are meeting the expected standards for good governance, risk management and control.

Remuneration and Staff Report for the year ended 31 March 2021

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

The remuneration of staff below senior civil service level is determined by the Scottish Government. In determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account is the Government's policy on the Civil Service and public sector pay and the need to observe public spending controls.

Education Scotland sets the remuneration of Non-Executive Board Members taking into account their roles and responsibilities and remuneration levels for comparable public appointments.

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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.

Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk/>

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of Advisory Board of Education Scotland. The information in this section of the Remuneration Report covering salary and pension entitlements is subject to audit.

Education Scotland is required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid Director in Education Scotland in the financial year 2020-21 was £120–125,000 (2019-20, £115-120,000). This was 2.0 times (2019-20, 1.9) the median remuneration of the workforce which was £61,006 (2019-20, £62,191). The equivalent remuneration in the Scottish Government was £185-190,000 (2019-20 £180-£185,000) which was 4.9 times (2019-20 4.9) the median remuneration of £38,541 (2019-20 £37,418).

In 2020-21, 0 employees (2019-20, 0) received remuneration in excess of the highest paid director. Remuneration ranged from £20,006 to banded remuneration of £120–125,000. (2019-20, £19,314 to banded remuneration of £115-120,000).

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Board remuneration

Officials	Salary (£'000)		Pension benefits (to nearest £1000) ¹		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Gayle Gorman Chief Executive	120-125	115-120	47	46	165-170	165-170
Alan Armstrong Strategic Director	80-85	75-80	45	33	125-130	110-115
Gillian Hamilton Strategic Director	90-95	90-95	36	35	125-130	125-130
Janie McManus Strategic Director	80-85	75-80	60	43	140-145	120-125
Brian Taylor Strategic Director (to 3 Nov 2019)	-	40-45 FTE 70-75	-	17	-	61-65
Maria Walker Strategic Director (to 16 Oct 2020)	45-50 FTE 75-80	55-60 FTE 70-75	17	23	60-65	80-85
Ollie Bray Strategic Director (from 01 Feb 2021)	10-15 FTE 80-85	-	5	-	15-20	-
Craig Clement Strategic Director (from 04 Jan 2021)	20-25 FTE 85-90	-	-	-	20-25	-
Gill Ritchie Interim Strategic Director (from 01 Mar 2021)	05-10 FTE 75-80	-	3	-	05-10	-
Patricia Watson Interim Strategic Director (from 01 Mar 2021)	05-10 FTE 75-80	-	9	-	15-20	-
Moi Ali Non Exec Board Member (to 31 Jul 2019)	-	0-5	-	-	-	0-5
Michael Ewart Non Exec Board Member (to 31 Jul 2019)	-	0-5	-	-	-	0-5
John Fyffe Non Exec Board Member	10-15	15-20	-	-	10-15	15-20
Linn Phipps Non Exec Board Member	-	0-5	-	-	-	0-5

(to 11 Aug 2019)						
David Gemmell Non Exec Board Member (from 1 Jul 2019)	5-10	0-5	-	-	5-10	0-5
Raymond McCowan Non Exec Board Member (from 1 Jul 2019)	0-5	0-5	-	-	0-5	0-5
Aileen Ponton Non Exec Board Member (from 1 Jul 2019)	0-5	0-5	-	-	0-5	0-5
Lyndsay McRoberts Non Exec Board Member (from 11 Nov 2019)	0-5	-	-	-	0-5	-
Kevin Kelman Non Exec Board Member (from 11 Nov 2019)	-	-	-	-	-	-

1 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Non-Executive Board member positions are fixed term appointments and are non-pensionable.

The actual figures for salaries and performance related pay fall within the bandings quoted above.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by Education Scotland and thus recorded in these accounts.

Benefits in Kind

No benefits in kind were paid in 2020-21.

Bonuses

The Scottish Government suspended non-consolidated bonus payments from 2011-12. No bonus payments were made in 2020-21.

Pension Benefits

Officials	Accrued pension at pension age as at 31/3/21	Real increase in pension and related lump sum at pension age	Cash equivalent transfer value (CETV) at 31/3/21	Cash equivalent transfer value (CETV) at 31/3/20	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Gayle Gorman Chief Executive	5-10	2.5-5	113	76	25
Alan Armstrong Strategic Director	20-25	2.5-5	410	370	38
Gillian Hamilton Strategic Director	5-10	0-2.5	80	51	20
Janie McManus Strategic Director	40-45	2.5-5	736	667	43
Brian Taylor Strategic Director (to 3 November 2019)	-	-	-	291	-
Maria Walker Strategic Director (to 16 Oct 2020)	0-5	0-2.5	54	36	14
Ollie Bray Strategic Director (from 01 Feb 2021)	0-5	0-2.5	3	-	2
Craig Clement Strategic Director (from 04 Jan 2021)	-	-	-	-	-
Gill Ritchie Interim Strategic Director (from 01 Mar 2021)	10-15	0-2.5	164	162	1
Patricia Watson Interim Strategic Director (from 01 Mar 2021)	40-45	0-2.5	868	859	8

No Board members had partnership pension accounts.

Non-Executive Board member positions are non-pensionable.

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 switch into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

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

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they

are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for Loss of Office

No employees left under compulsory early retirement terms in the year 2020-21 (2019-20 Nil). No employees left under voluntary exit terms in the year 2020-21 (2019-20 Nil).

Settlement Agreements

No settlement agreements took place in 2020-21 (2019-20 Nil)

Staff Report

Staff Resources

The average number of whole-time equivalent persons employed by gender is shown in the table below:

2020-21

	All	Male	Female	Other
Senior Civil Servants	8	3	5	0
Other permanent staff	312	80	232	0
Other staff	49	19	19	11
Total	369	102	256	11

2019-20

	All	Male	Female	Other
Senior Civil Servants	6	2	4	0
Other permanent staff	305	72	233	0
Other staff	58	18	30	10
Total	369	92	267	10

	2020-21 £'000			2019-20 £'000
Staff costs	Permanent Staff	Others	Total	Total
Wages and salaries	17,048	2,417	19,465	19,770
Social security costs	1,961	0	1,961	1,890
Other pension costs	4,751	0	4,751	4,593
Total Net Costs	23,759	2,417	26,177	26,253
Other staff costs				
Subscriptions and Memberships	28	0	28	15
Early severance costs	0	0	0	6
Holiday pay accrual	203	0	203	271
Total staff costs	23,990	2,417	26,408	26,545

For 2020-21, employer's contributions of £4,641,741 (2019-20 £4,474,078) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% (2019-20 – 26.6% to 30.3%) of pensionable pay, based on salary bands. The scheme's Government Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and they reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £23,212 (2019-20 £32,253) were paid to one or more of an appointed panel of stakeholder pension providers.

As an Agency of the Scottish Government, all Education Scotland Staff are Scottish Government employees and any existing pension liabilities will be met by the Scottish Government.

All the above information disclosed in the Remuneration Report has been audited by Education Scotland auditors. The following sections of the Remuneration Report were reviewed by the auditors to ensure they were consistent with the financial statements.

Sickness absence

Staff absences due to sickness are managed using Scottish Government guidance. For the 12 month period from 1 April 2020 to 31 March 2021, 2,083 working days were lost as a result of sickness absence which equates to 3.08% (2019-20 2,063 days, which equates to 3.03%).

Employees with disabilities

Education Scotland is committed to equality of opportunity for all employees. All disabled applicants who meet the minimum advertised criteria for a job vacancy will be invited to interview. Disabled candidates are guaranteed the chance to be assessed on their abilities in the same way as all applicants. Opportunities are made available equally to disabled members of staff to assist in their career development. Every effort will be made to retain people who become disabled. This may be done through supplying appropriate equipment or offering different work patterns. Education Scotland currently employ 12 members of staff who consider themselves disabled.

Equal opportunities and diversity

As an Agency of the Scottish Government, Education Scotland adheres to the Scottish Government policy on equal opportunities. All staff are treated equally regardless of sex, marital status, age race, ethnic origin, sexual orientation, disability or religion. Education Scotland is committed to increasing the diversity of staff within the organisation to reflect the people of Scotland, and to valuing positively the different perspectives and skills of all staff and making full use of these in its work.

Employee involvement/consultation and well being

Employees are kept informed about the organisation, its people and business through a range of activities, which includes a staff newsletter, regular face to face briefings with managers and attending events such as all staff conferences.

There is a partnership agreement and regular consultation with representatives of trade unions recognised by the Scottish Government. Staff take part in the Scottish Government Employee Survey and participate in task groups and project teams which contribute to the delivery of corporate initiatives.

Education Scotland is committed to ensuring equality of opportunity in respect of access to, and selection for learning and development activities in accordance with individual and team development needs, and our core purpose and strategic priorities. All full and part-time staff, including those on non-standard contracts, have access to learning and development as appropriate for successful performance in their respective roles.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 place a requirement on public sector employers to publish information relating to facility time taken by union representatives before 31 July each year. There are no separate arrangements in place for Education Scotland to publish information relating to facilities time and the requirements will be covered within the main Scottish Government Annual Report and Accounts. However, the agency is committed to supporting strong partnership working.

Consultancy

Education Scotland had no expenditure on consultancy services during 2020-21 (2019-20 £816).

Exit Packages

No staff left on voluntary exits terms in 2020-21 (2019-20 nil). The current policy is for no compulsory redundancies.

Redundancy and other departure costs will be paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Scottish Government, in conjunction with Education Scotland, has agreed early retirements, the additional costs are met by the agency and not the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in this section.

Apprenticeship Levy

The apprenticeship levy, introduced in April 2017, is calculated as 0.5% of the organisation's pay bill minus a levy allowance, and is paid directly by the Scottish Government. Education Scotland has been charged £82,547 as its share of the levy.

Parliamentary Accountability Report

Fees and charges

Education Scotland follows the guidance outlined in the Scottish Public Finance Manual. Services provided to other bodies are charged at full cost.

Organisation	Service provided	Cost of service	Charge for service
Scottish Funding Council	College review services	£951,285	£951,285

The Scottish Funding Council pays Education Scotland for college reviews and reviews of specific subject areas within Scotland's colleges. The charge is set at a level to recover the full costs of providing the service.

Losses and special payments

Following a review of outstanding debt in 2020-21, a total of £11,461.93 was written off. This figure relates to VAT charged on the invoices of staff seconded from a Local Authorities who provided educational services.

Regularity of Expenditure

Expenditure and income reported in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year, and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000.

Gifts

No gifts were awarded or received during the year.

Contingent Liabilities

There was one contingent liability existing at 31 March 2021. Further advice is being sought in order to assess the likelihood of financial implications.

Accounts Direction

The accounts have been prepared in accordance with a direction given by Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The direction is provided at page 91.



Gayle Gorman

Chief Executive 7 July 2021

Independent auditor's report to Education Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Education Scotland for the year ended 31 March 2021 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 7 June 2021. This is my first year of appointment. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Andrew Kerr

Andrew Kerr
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

7 July 2021

Annual Accounts

Financial Statements

Statement of Comprehensive Net Expenditure for year ended 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Operating Income	4	(1,211)	(1,093)
Other Income	4	(250)	(410)
Total Income		(1,461)	(1,503)
Staff costs	2	26,408	26,545
Purchase of goods and services	3.1	8,076	9,798
Depreciation and impairment charges	5 & 6	140	214
Loss on disposal of assets		0	1
Grant payments	3.2	2,121	2,685
Provisions	3.2	1,120	0
Other Operating expenditure	3.2	37	32
Total Expenditure		37,902	39,275
Comprehensive net expenditure for the year ended 31 March 2021		36,441	37,772

The notes on pages 80-90 form part of these accounts.

Statement of Financial Position as at 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Non-Current Assets			
Property plant & equipment	5	276	172
Intangible assets	6	0	1
Assets under development	6	3,532	0
Total non-current assets		3,808	173
Current Assets			
Trade receivables	7	11	95
Prepayments	7	697	399
Grant Debtors	7	538	137
Accrued income	7	8	3
Other receivables	7	0	6
Total current assets		1,254	640
Total assets		5,062	813
Current liabilities			
Trade and other payables	8	(378)	(489)
Accruals and deferred income	8	(2,997)	(2,995)
Provisions	9	(564)	0
Total current liabilities		(3,939)	(3,484)
Non-Current liabilities			
Provisions	9	(869)	0
Total noncurrent liabilities		(869)	0
Total assets less total liabilities		254	(2,671)
Taxpayer equity and other reserves			
General Fund		254	(2,671)
Total taxpayers equity		254	(2,671)

Gayle Gorman

Gayle Gorman

Chief Executive 7 July 2021

The notes on pages 81-91 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2021

	Notes	2020-21 £'000	2019-20 £'000
Cash flows from operating activities			
Comprehensive net expenditure for the year		(36,441)	(37,772)
Adjustment for non-cash transactions:			
Depreciation	5,6	140	214
Audit fee	3	37	38
Loss on disposal of assets	5	0	1
Movements in working capital:			
Increase in trade and other receivables	7	(614)	429
Decrease in trade and other payables	8	(479)	(252)
Increase in provisions	9	1,433	(6)
Net cash outflow from operating activities		(35,924)	(37,348)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(242)	(32)
Purchase of intangible assets	6	(3,162)	0
Net cash outflow from investing activities		(3,404)	(32)
Cash flows from financing activities			
Funding from Scottish Government		39,329	37,380
Net increase/(decrease) in cash and cash equivalents in the period		0	0

The notes on pages 81-91 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

		General Fund
	Notes	£'000
Balance as at 31 March 2020		(2,671)
Net funding		39,329
Non-cash charges - auditors remuneration		37
Comprehensive net expenditure for the year		(36,441)
Balance as at 31 March 2021		254

		General fund
	Notes	£'000
Balance as at 31 March 2019		(2,317)
Net funding		37,380
Non-cash charges - auditors remuneration	3	38
Comprehensive net expenditure for the year		(37,772)
Balance as at 31 March 2020		(2,671)

The notes on pages 81-91 form part of these accounts.

Notes to the Financial Statements

1. Accounting policies

In accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the *Public Finance and Accountability (Scotland) Act 2000*, (reproduced at the end of the notes to the accounts), these financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by the Scottish Government. 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 the particular circumstances of Education Scotland for the purpose of giving a true and fair view has been selected. The particular policies adopted by Education Scotland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of non-current assets to fair value as determined by the relevant accounting standard and in accordance with the IFRS based Government Financial Reporting Manual (FReM).

1.2 Going concern

The results of the Statement of Comprehensive Net Expenditure derive from operating activities, all of which are continuing albeit that delivery is likely to be via newly created public bodies and therefore the financial statements have been prepared on a going concern basis.

1.3 Property, plant and equipment

All property, plant and equipment (PPE) assets which have a useful life of more than one year are accounted for as non-current assets, unless they are deemed to be held for sale. PPE assets comprise leasehold improvements, IT Systems, Plant and Equipment, and Vehicles. They are capitalised at their cost of acquisition and installation. Plant and equipment assets that have short useful lives or low values or both are reported at depreciated historic cost as a proxy for fair value.

The minimum level of capitalisation of a PPE asset is £1,000. Computer equipment includes individual assets whose costs fall below the threshold, but as they are of a similar nature, are grouped together and capitalised.

Education Scotland does not own any land or buildings. Charges for the rental of accommodation are included in the statement of comprehensive net expenditure.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Education Scotland and the cost can be measured reliably. The carrying amount of any replaced parts is derecognised. All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial period in which they are incurred.

1.4 Intangible Assets

Intangible Assets, such as ICT Software Licence and ICT Software, which have a useful life of more than one year are accounted for as non-current assets. The minimum level of capitalisation for intangible assets is £1,000. Software includes individual assets whose costs fall below the threshold, but as they are of a similar nature, are grouped together and capitalised. They are capitalised at their cost of acquisition and installation.

1.5 Depreciation and Amortisation

Depreciation is provided at rates calculated to write off the valuation of non-current assets by equal instalments over the expected useful lives of the assets concerned. The expected useful lives are as follows:

Leasehold improvements	The shorter of the asset life or remaining lease term
Furniture and fittings	10 years
Vehicles	5 years
Plant and equipment	5 years
Photocopiers	3 years
IT equipment	3 years

Software licences are amortised over the shorter of the term of the licence and the useful economic life.

Depreciation is not charged in the month of acquisition but is charged over the useful economic life and in the month of disposal.

1.6 Value added tax (VAT)

Education Scotland receives funding from the Scottish Government Education and Lifelong Learning Portfolio to meet expenditure incurred, inclusive of VAT. However, in order to comply with Government Accounting Regulations and normal commercial practice, operating costs are stated net of VAT where VAT is recoverable by the agency.

Education Scotland is registered for VAT as part of the Scottish Government, which is responsible for recovering VAT from HM Revenue and Customs on behalf of the agency.

1.7 Short Term Employee benefits

International Accounting Standard (IAS) 19 requires that organisations recognise a liability when employees provide a service in exchange for a benefit which will be paid at a future date. Education Scotland recognises the cost of annual leave and flexible working time which has been earned but not taken by employees at the end of the year. The cost for the year is based on the annual leave and flexi balances which are carried forward as at 31 March 2021.

1.8 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme. The defined benefit schemes are unfunded and are non-contributory except in respect of dependents benefits. The agency 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 PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. Relevant disclosures are reported in the Staff Report.

1.9 Operating income

The main source of operating income is the income received in respect of the service level agreement held with the Scottish Further and Higher Education Funding Council (SFC). Income is recognised when the amounts can be reliably measured and services have been rendered and/or goods dispatched. Where income is received in advance and services have not yet been performed, income is deferred.

1.10 Leases

Leases are classified as finance leases where the terms transfer substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other leases are classified as operational. Education Scotland leases its office accommodation and all are treated as operating leases and the rentals are charged to the operating cost statement on a straight-line basis over the term of the lease. This accounting treatment of leases is due to change with the introduction of IFRS 16. (See note 1.15)

1.11 Provisions and Contingent Liabilities

IAS 37 Provisions, Contingent Liabilities and Contingent Assets applies in full, and in these accounts provisions are made for legal or constructive obligations which are of uncertain timing or amount at the statement of financial position date.

Provisions are made where an event has taken place which gives the agency a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Statement of Comprehensive Net Expenditure in the year that the agency becomes aware of the obligation, and are measured at the best estimate at the 31 March 2021 of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits is required, the provision is reversed and credited back to the relevant service line.

A contingent liability arises where an event has taken place that gives the agency a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the agency. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either is not

probably that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed as a note to the accounts.

1.12 Critical Accounting Estimates and Judgements

The preparation of the accounts requires the agency Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the accounts is as follows:

Dilapidations

A provision has been created for dilapidations for the office space leased by Education Scotland. The provision for the Optima building was based on the estimate provided by the landlord. The dilapidation provision for other accommodation leases was based on an estimated costs per square metre supplied by SG property division. Actual costs may differ from these estimates.

Employee benefit accrual

Calculation of the employee benefits is based on applying similar pay points within pay bands for each grade of staff. However, individual staff will be at different points on the pay scales and therefore the estimated costs is likely to differ from the cost if calculated at the level of specific staff in post.

1.13 Trade payables/receivables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for any impairment. A provision for impairment of trade receivables is made where there is objective evidence Education Scotland will not be able to collect all amounts due under the original terms of the contract.

1.14 Financial instruments

As the cash requirements of Education Scotland are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Education Scotland's expected purchase and usage requirements and Education Scotland is therefore exposed too little credit, liquidity or market risk.

1.15 New accounting standards

All new standards issued and amendments made to existing standards are reviewed by Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM which is in force for the year in which the changes become applicable. The standard which is considered relevant to Education Scotland and the anticipated impact on the annual accounts is as follows:

IFRS 16 – Leases

This standard has been created to harmonise the rules regarding leases between the IASB and the FASB in the United States. It will supersede the existing IAS 17 and was due to come into effect in the public sector on 1 April 2020 but this has now been deferred until April 2022. The effect of IFRS 16 will be to reclassify leases which were previously treated as operating leases, requiring capitalisation of the underlying assets. This will impact on Education Scotland's annual accounts. All future lease payments would require to be recognised as a Right of Use (RoU) Asset together with a corresponding lease liability in the Statement of Financial Position. Lease payments will no longer be made through the Statement of Comprehensive Net Expenditure (SoCNE) and instead will be accounted for by charging depreciation on the RoU asset and interest on the liability.

The estimated resource budget required in 2021-22 based on current operating leases is £1.045m

2. Staff

Total staff costs for the year were £26.408m (2019-20 £26.545m)

Details of staff numbers and costs are provided in the staff report at page 67.

3. Purchase of Goods and Services

3.1 Costs

	2020-21	2019-20
	£'000	£'000
Cost of software sales	0	24
SWAN	1,197	1,179
Glow	2,832	2,473
Practitioner events	(6)	439
External advice	32	178
Contractors	1,192	1,008
FE Associate members costs	1	27
Lay member costs	1	14
Travel and Subsistence	31	1,289
Training costs	89	73
Reports and publications	110	92
Rent, rates, utilities and maintenance	1,866	2,072
Advertising costs (including recruitment)	35	36
IT support	421	488
IT maintenance & consumables	206	128
Legal costs	(32)	28
Telecoms	16	39
Postage	15	21
Stationery	2	27
Copier Rental	7	21
Catering	0	40
Health & Safety	29	14
Books and periodicals	6	4
Other office Expenditure	26	84
	8,076	9,798

3.2 Other Operating Expenditure and Non-cash charges

	2020-21	2019-20
	£'000	£'000
Grants	2,121	2,685
Audit fee	37	38
Provision created in the year	1,120	0
Provision utilised in year	0	(6)
	3,278	2,717
Total (3.1 and 3.2)	11,354	12,515

4. Income

	2020-21	2019-20
	£'000	£'000
SFC Income	951	844
Conferences	0	35
SWAN reimbursements for additional services	260	187
International Income	0	27
Total Operating Income	1,211	1,093
Creative Scotland	49	185
The Wood Foundation	134	109
Other income	19	116
VAT refund	48	0
Total Other Income	250	410
Total Income	1,461	1,503

The largest source of income received is from the Scottish Funding Council for services provided under a Service Level Agreement. The SLA sets out Education Scotland's responsibilities for undertaking external review of colleges, reporting on specific areas and themes, as well as professional support and improvement activities. The aim is to recover the full cost of carrying out these activities. Costs are recovered by charging the full cost for each day spent carrying out SLA work.

Education Scotland arranges for additional services to be provided under the SWAN contract at the request of Local Authorities and the costs of the additional services are recharged.

5. Property plant and equipment

	Leasehold Improvements	Plant and Equipment	Vehicles	IT systems	Total
Cost	£000	£000	£000	£000	£000
At 1 April 2020	2,170	371	0	323	2,864
Additions	0	0	0	243	243
Disposals	0	0	0	0	0
At 31 March 2021	2,170	371	0	565	3,107
Depreciation					
At 1 April 2020	2,154	292	0	247	2,693
Charge for year	3	66	0	70	139
Disposals	0	0	0	0	0
Adjustment	(1)	0	0	0	(1)
At 31 March 2021	2,156	358	0	316	2,831
Net Book Value					
At 31 March 2021	14	13	0	249	276
At 31 March 2020	16	79	0	76	172

	Leasehold Improvements	Plant and Equipment	Vehicles	IT systems	Total
Cost	£000	£000	£000	£000	£000
At 1 April 2019	2,170	357	16	321	2,864
Additions	0	14	0	18	32
Disposals	0	0	(16)	(16)	(32)
At 31 March 2020	2,170	371	0	323	2,864
Depreciation					
At 1 April 2018	2,072	228	16	198	2,514
Charge for year	82	64	0	63	209
Disposals	0	0	(16)	(14)	(30)
At 31 March 2020	2,154	292	0	247	2,693
Net Book Value					
At 31 March 2020	16	79	0	76	172
At 31 March 2019	98	129	0	123	350

6. Intangible Assets

	Software Licences £,000	Other Software £,000	Assets Under Development £,000	Total £,000
Cost				
At 1 April 2020	153	12	0	165
Additions	0	0	3,532	3,532
Disposals	0	0	0	0
At 31 March 2021	153	12	3,532	3,697
Amortisation				
At 1 April 2020	152	12	0	164
Charge for year	1	0	0	1
Disposals	0	0	0	0
At 31 March 2021	153	12	0	165
Net Book Value				
At 31 March 2021	0	0	3,532	3,532
At 31 March 2020	1	0	0	1

	Software Licences £'000	Other Software £'000	Assets Under Development £'000	Total £'000
Cost				
At 1 April 2019	153	12	0	165
Additions	0	0	0	0
Disposals	0	0	0	0
At 31 March 2020	153	12	0	165
Amortisation				
At 1 April 2019	147	12	0	159
Charge for year	5	0	0	5
Disposals	0	0	0	0
At 31 March 2020	152	12	0	164
Net Book Value				
At 31 March 2020	1	0	0	1
At 31 March 2019	6	0	0	6

Assets Under Development

During 2020-21, Education Scotland started work on a Digital Transformation Project which is due to be come in to use in 2022.

7. Trade receivables, financial and other assets

	2020-21 £'000	2019-20 £'000
Amounts falling due within one year		
Trade receivables	11	95
Prepayments	697	399
Grant Debtors	538	137
Accrued income	8	3
Other receivables	0	6
	1,254	640
Central government debtors	0	6
Local government debtors (including schools)	538	174
Other debtors	716	460
	1,254	640

8. Trade payables and other liabilities

	2020-21 £'000	2019-20 £'000
Amounts falling due within one year		
Trade payables	378	489
Accruals	2,804	2,931
Deferred income	193	64
	3,375	3,484
Central government creditors	0	58
Local government creditors (including schools)	459	943
Other creditors	2,916	2,483
	3,375	3,484

9. Provision for liabilities and charges

	Early Departure Costs £'000	VAT £'000	Other £'000	Total £'000
Balance as at 1 April 2020	0	0	0	0
Provisions created in year	0	313	1,120	1,433
Provisions utilised in year	0	0	0	0
Balance as at 31 March 2021	0	313	1,120	1,433

	Early Departure Costs £'000	VAT £'000	Other £'000	Total £'000
Balance as at 1 April 2019	6	0	0	6
Provisions created in year	0	0	0	0
Provisions utilised in year	(6)	0	0	(6)
Balance as at 31 March 2020	0	0	0	0

Analysis of timings of provisions

	2020-21 £'000	2019-20 £'000
Payable in one year	564	0
Payable between 2-5 years	362	0
Payable between 6-10 years	507	0
Total	1,433	0

VAT Provision

During the year Education Scotland recovered VAT on the supply of some IT services. Advice has been sought as to whether that is the correct treatment and until a final ruling has been received a provision has been created for the VAT element of the IT services.

Other Provision

A provision has been created for the dilapidation costs which are due at the end of the accommodation leases. The timings for the payments are in line with the lease end dates and covers the costs of returning the accommodation to the landlord in the condition set out in the terms of the lease.

10. Leasing commitments

At 31 March 2021, Education Scotland was committed to making the following payments in respect of building leases at Denholm House (Livingston), Endeavour House (Dundee),

Huntly Street (Aberdeen) and Optima Building (Glasgow). The increase in present value of obligations is due to the lease extension for the Optima Building in Glasgow.

	2020-21 £'000	2019-20 £'000
Buildings		
Not later than one year	1,045	776
Later than one and not later than five years	2,911	1,162
Later than five years	636	0
Total Present Value of obligations	4,592	1,938

11. Related party transactions

Education Scotland is an Executive Agency of the Scottish Government Education and Skills Portfolio, which is therefore regarded as a related party. During the year, Education Scotland had a number of material transactions with the Scottish Government. In addition, Education Scotland has had a small number of various material transactions with other Government Departments and other central Government bodies, such as the SFC. No board member, key manager or other related parties has undertaken any material transactions with Education Scotland during the year.

12. Capital commitments

There were no capital commitments as at 31 March 2021. (31 March 2020: nil).

13. Contingent Liabilities

There was one contingent liability existing at 31 March 2021. Further advice is being sought in order to assess the likelihood of financial implications (31 March 2020: one).

14. Losses and special payments

Following a review of outstanding debt in 2019-20, a total of £11,462 was written off. This figure relates to inward seconded staff VAT due back from Local Authorities.

15. Post balance sheet events

There are no material post balance sheet events that require to be adjusted in the accounts or to be disclosed.

The Accountable Officer authorised these financial statements for issue 7 July 2021

Accounts Direction



Education Scotland

Direction by the Scottish Ministers

1. The Scottish Ministers, in accordance with section 19(4) of the *Public Finance and Accountability (Scotland) Act 2000* hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2012, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 10 January 2012

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Transforming lives through learning

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