

## ERW JOINT COMMITTEE

16<sup>TH</sup> JULY 2018

### NON COMPLIANCE REPORT

#### Purpose:

To inform Joint Committee that ERW does not comply fully with the conditions of the Regional Consortia School Improvement Grant.

#### RECOMMENDATIONS / KEY DECISIONS REQUIRED:

1. Joint Committee agree to a common funding formula for all schools.
2. The Joint Committee prepare for regionalisation of the whole RSIG grant by April 2019.
3. The Joint Committee support the strengthening and stabilising of the central ERW team
4. The Joint Committee ensure that the Business Plan, legal agreement and governance are agreed and adhered to by all LAs in order to allow ERW to accept the resources available in WG and meet the necessary conditions.
5. The Joint Committee enable the Section 151/ Lead Chief / MD to develop and agree/ negotiate interim arrangements with WG whilst the development work is put in place so that we can access grant for schools.

Report Author:

Designation:

Tel No.

E. Mail:

# EXECUTIVE SUMMARY

## ERW JOINT COMMITTEE

16<sup>TH</sup> JULY 2018

### NON COMPLIANCE REPORT

#### BRIEF SUMMARY OF PURPOSE OF REPORT

Due to the limited progress on the Review and Reform programme, some of the risks which would have been mitigated by change remain outstanding. These include significant matters relating to the RCSIG.

WG have merged their many grants to Regional Consortia into one single Regional School Improvement Grant (RSIG). The funding is scheduled to be paid on a bi-monthly basis based on costs incurred as detailed in an agreed Payment Profile with Welsh Government.

The value of the grant to ERW is £40,971,102 . In addition, the PDG grant to ERW, which is also referred to in the offer letter, is valued at £24,233,150.

It is noted in the grant offer letter that, “We reserve the right to withhold or recover any part of the Funding”. The full terms and conditions are reproduced at Annex1

Other regions have received their 1<sup>st</sup> quarter allocation, and scheduled to receive the 2<sup>nd</sup>. ERW has not yet received its allocation. This is now causing schools concern as they have not received their foundation and EIG funding, as we near the end of the summer term. It is also causing cash flow concerns for the lead banker authority.

On interpretation of the conditions, currently ERW does not meet at least the following 6 grant conditions:

DETAILED REPORT ATTACHED?

YES



## IMPLICATIONS

Policy, Crime & Disorder and Equalities	Legal	Finance	Risk Management Issues	Staffing Implications
NONE	NONE	NONE	NONE	NONE

## CONSULTATIONS

Details of any consultations undertaken are to be included here  
N/A

**Section 100D Local Government Act, 1972 – Access to Information**  
**List of Background Papers used in the preparation of this report:**  
**THERE ARE NONE**



# NON COMPLIANCE WITH REGIONAL SCHOOL IMPROVEMENT GRANT

## Purpose of Report

To inform Joint Committee that ERW does not comply fully with the conditions of the Regional School Improvement Grant.

## Background

WG have merged their many grants to Regional Consortia into one single Regional School Improvement Grant (RSIG). The funding is scheduled to be paid on a bi-monthly basis based on costs incurred as detailed in an agreed Payment Profile with Welsh Government.

The value of the grant to ERW is £40,971,102 . In addition, the PDG grant to ERW, which is also referred to in the offer letter, is valued at £24,233,150.

It is noted in the grant offer letter that, “We reserve the right to withhold or recover any part of the Funding”. The full terms and conditions are reproduced at Annex1

Other regions have received their 1<sup>st</sup> quarter allocation, and are scheduled to receive the 2<sup>nd</sup>. ERW has not yet received its allocation. This is now causing schools concern as they have not received their foundation and EIG funding, as we near the end of the summer term. It is also causing cash flow concerns for the lead banker authority.

## Non Compliance with conditions

On interpretation of the conditions, currently ERW does not meet at least the following 6 grant conditions:

1. “Confirmation that you have in place a current and valid collaboration agreement between the parties in the consortium”.

As NPT CBC have stated that they will not pay their contribution to the core costs of the Central Team for 2018-19, the legal agreement between the 6 LAs has not been fulfilled. In addition, the Executive Board has not met regularly during the year

2. “Confirmation that you as lead /banker authority have details in relation to non-lead authorities in your area of their proposed control environment, in particular their monitoring arrangements and evidence of spend”.

Despite effective assurance being sought from Internal Audit in each LA for elements of the spend, this does not provide ERW with sufficient evidence for VFM and delegation rates. There may be some duplication of services between LAs and also a different interpretation of ‘delegation to schools’. Full autonomy to schools within the grant conditions would be the appropriate definition. Currently each LA has its own interpretation for delegation to schools and therefore the proportion of finance delegated to schools in the old EIG is not clearly identifiable.

3. “Confirmation that your consortium business plan covering the funding period has been or will be agreed through your regional governance arrangements outlined in the National Model for Regional Working before the 1 May 2018”.



The ERW Business plan has not yet been agreed through ERW's Joint Committee. The Business Plan captures the work of the central team and the LA annex for each LA. It is not clear whether work funded through the grant but accountable within individual LAs is sufficiently captured in the Business Plan in order for JC to have sufficient oversight of all aspects of work within the National Model for Regional Working. (Work of Athrawon Bro, Challenge Advisers and locally employed subject officers).

4. "Documentary evidence that you have out in place all staff and other resources detailed in the Application as required to commence and complete the Purposes".

The seconded or temporary nature of nearly all roles within the central team is a risk for the region in implementing the Business Plan. The region has no senior capacity for business improvement and management functions.

5. "Confirmation that your distribution formula supports schools and settings to deliver the Foundation Phase".

It is not clear to the JC how each LA distributes its allocation of Foundation Phase spend, as this is a local decision.

A consistent Foundation phase allocation within a common funding formula could help the Joint Committee secure regional oversight of this aspect of work. In addition, through regional approaches to training and development, it may be possible to reduce the resources used by individual LAs to coordinate and support the work in schools

6. "The grant will be organised around the following pre-requisites and requirements:"

Equity and value for money are noted amongst other matters.

The grant conditions refer specifically to increasing delegation rates to schools and to equity in this process. The region has 6 interpretations of the old EIG element within the grant. This is currently not equitable. (For example, a 200 pupil primary can vary from £83k to £6k. At secondary level, an 800 pupil secondary school can vary from £56k, to £48k and £16k.)

## 7. LAC PDG

This is an additional grant as part of the PDG grant. WG wrote to ERW \*see attached) last year about this grant. The conditions include expectations of a regional strategy and delegation arrangements. (see finance report).

## Recommendations

### 1. Joint Committee agree to a common funding formula for all schools.

The RCSIG includes a specific amount of the grant previously known as EIG, as part of a transitional arrangement for 2018-19. The EIG element has been decreased by 11% from 2017-18. The Directors did not agree a way forward to allocate this element of the grant, however, following the last Joint Committee meeting, 5 of the 6 Local Authorities agreed a formula to distribute the grant between the 6 Local Authorities. However, this agreement, may not meet the grant conditions outlined above, and more detail is shown in the annex.

Four of the 6 LAs agreed via Directors to the following formula. This allows for regional oversight, elements of LA level delivery in the transition year.



EIG £33,608,693

85% delegated to schools on the following formula across the regions based on Jan 2017 status

Foundation phased	unit value	£
1 to 8 ratio	£1,020	16,489,830
1 to 15 ratio	£405	7,876,440
14-16 Key stage 4 pupils	£30	526,890
general EIG allocation		
FTE pupils	£17.08	£2,132,774
FTE teachers	£18.66	£533,194
Transitional funding		£1,008,261

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**total direct delegation to schools. 28,567,389**

0.75% admin costs

LA's 201,643

ERW 50,422

centrally funded costs

LAs to fund 5/12 grant funded staff 1,539,239

ERW Central Cluster 500,000

WEG (as per EIG Spending Plans) 2,000,000

7/12 ERW 750,000

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**Total EIG Funding 33,608,693**

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This also allows the region to increase delegation to schools over time as the retained element locally reduces and the resources already delegated via the central team to schools can be added to the 'old EIG' element. This will allow the Joint Committee to develop an equitable, high delegation model which allows schools to lead the capacity building within the system and encourage further collaboration.

**2. The Joint Committee prepare for regionalisation of the whole RCSIG grant by April 2019.**

Executive Board work on an agreed model to prepare for the EIG to be merged fully in to the RCSIG by April 2019 and to review the funding of permanent roles within LAs using the grant.

**3. The Joint Committee support the strengthening and stabilising of the central ERW team.**

One paper to be tabled today will allow for a stable senior leadership tier to manage the key priorities of the organisation in line with the National Mission and National Model and to support business improvement and capacity. However, a clear organisational design will be required as part of the work to develop the governance and accountability work led by two Directors. This will also support key delegation and accountability responsibilities. The JC should enable officers to bring forward a clear viable structure to deliver the business plan as part of this work.

**4. The Joint Committee ensure that the Business Plan, legal agreement and governance are agreed and adhered to by all LAs in order to allow ERW to accept the resources available from WG and meet the necessary conditions.**

**5. The Joint Committee enable the Section 151/ Lead Chief / MD to develop and agree/ negotiate interim arrangements with WG whilst the development work is put in place so that we can access grant for schools.**



Mr Jonathan Haswell  
Section 151 Officer  
Pembrokeshire County Council  
Haverfordwest  
Pembrokeshire SA61  
1TP

Revised 13 March 2018

Dear Mr Haswell

**Award of Funding in relation to the Regional Consortia School Improvement Grant 2018-19 to support delivery of the Welsh Government's priorities in *Education in Wales: Our national mission*, against the Funding Letter issued to you on 19 December 2017.**

**1. Award of Funding**

- (a) We are pleased to inform you that an allocation of £40,971,102 (Forty Million, Nine Hundred and Seventy One Thousand, One Hundred and Two pounds) ("the Funding") has been made available to you for the Purposes (as defined in Condition 4(a)).
- (b) The Funding relates to the period 1 March 2018 to 31 March 2019. A subsequent variation to this Award will be made in August 2018 for the period 1 April 2019 to 31 August 2019. The Funding must be claimed in full by 31 August 2019 otherwise any unclaimed part of the Funding will cease to be available to you.
- (c) If you have any queries in relation to this award of Funding or the Conditions please contact the Welsh Government Official who will be happy to assist you.
- (d) The Funding Letter is reflected within two separate Grant Awards, the Pupil Development Grant and the Funding outlined within this Award.

**2. Statutory authority and State Aid**

- (a) This award of Funding is made on and subject to the Conditions and under the authority of the Cabinet Secretary for Education, one of the Welsh Ministers, acting pursuant to sections 14-17 of the Education Act 2002 and 70 and 71(1) of the Government of Wales Act 2006.
- (b) You must comply with the European Commission's State Aid Rules.





### 3. Interpreting these Conditions

Any reference in these Conditions to:

**'you', 'your'** is to  
Pembrokeshire County Council  
Haverfordwest  
Pembrokeshire  
SA61 1TP

**'we', 'us', 'our'** is to the Welsh Ministers;

**'Welsh Government Official'** is to  
Kelly Murphy, Head of Finance and Inspection  
Education, Business Planning and Governance Division  
Education Directorate  
Welsh Government  
Cathays Park Cardiff  
CF10 3NQ Tel: 0300  
025 1678  
Email: [Kelly.murphy@gov.wales](mailto:Kelly.murphy@gov.wales)

or such other Welsh Government official as we may notify you.

**'Project Manager'** is to  
Betsan O'Connor  
ERW  
Y Llwyfan  
College Road  
Carmarthen  
SA31 3EQ  
E-mail [betsan.oconnor@erw.org.uk](mailto:betsan.oconnor@erw.org.uk)

**'Application'** is to your draft consortium business plan and supporting spending profile, which will reflect as a minimum the overarching and enabling objectives in *Education in Wales*, as directed by the Funding Letter issued on 19 December 2017, along with the key actions pertaining specifically to this award of Funding;

**'Conditions'** is to the terms and conditions set out in this letter;

**'Costs Incurred'** is to the cost of goods and services you have received regardless of whether you have paid for them by the date of your claim;

**'Notification Event'** is to any of the events listed in Schedule 2;

**'Payment Profile'** is to the payment profile set out in Schedule 3;

**‘Personnel’** is to your management/employees and suppliers or any other person appointed or engaged by you in relation to the Purposes;

**‘Schedule’** is to the schedules attached to this letter;

**‘State Aid Rules’** is to the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109; and

**‘Funding Letter’** is to the letter issued to consortia Managing Directors, Local Authority Lead Directors of Education and Banker authority Section 151 Officers on 19 December 2017 providing the outline funding envelope for regional consortia and priorities for 2018-19 financial year and revised versions thereof, including as provided with this Funding award.

**any reference to any legislation** whether domestic, EU or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

#### **4. What you must use the Funding for**

- (a) You must use the Funding solely for the purposes set out in Schedule 1 (the **“Purposes”**).
- (b) Any change to the Purposes will require our written consent which must be obtained from us in advance of implementing any change. Please note that we are not obliged to give our consent but we will consider all reasonable written requests.
- (c) You must not use any part of the Funding for: (1) party political purposes; (2) the promotion of particular secular, religious or political views; (3) gambling; (4) pornography; (5) offering sexual services; (6) purchasing capital equipment (other than as specified in the Purposes); (7) your legal fees in relation to this letter; (8) Costs Incurred or costs incurred and defrayed by you in the delivery of the Purposes prior to the period referred to in Condition 1 (b); (9) any kind of illegal activities; or (10) any kind of activity which in our opinion could bring us into disrepute.

## **5. Funding pre-conditions**

- (a) We will not pay any of the Funding to you until you have provided us with the following information and documentation:
  - (i) this letter signed by you;
  - (ii) confirmation that the signatories who have signed this letter on your behalf are duly authorised to do so;
  - (iii) documentary evidence that you have appropriate systems in place to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
  - (iv) confirmation that you have in place a current and valid collaboration agreement between the parties in the consortium;
  - (v) confirmation that you as lead/banker authority have details in relation to non-lead authorities in your area of their proposed control environment, in particular their monitoring arrangements and evidence of spend;
  - (vi) confirmation that your consortium business plan covering the funding period has been or will be agreed through your regional governance arrangements outlined in the National Model for Regional Working before the 1 May 2018;
  - (vii) documentary evidence that you have put in place all staff and other resources detailed in the Application as required to commence and complete the Purposes;
  - (viii) confirmation that your distribution formula supports schools and settings to deliver the Foundation Phase.
  - (ix) your draft Application
- (b) Where you are required to provide information and documentation to us as evidence that you have satisfied a particular pre-condition, Condition or in support of a claim, the information and documentation must be in all respects acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us.

## **6. Payment of Funding**

- (a) The Funding will be paid to you bi-monthly based on costs incurred by you in the delivery of the Purposes as detailed in the Payment Profile. We will review your profile of expenditure in August 2018 and quarterly thereafter.
- (b) The Funding will be paid to you in accordance with the dates set out in the Payment Profile. We reserve the right to withhold or recover any part of the Funding.
- (c) The updated profile of expenditure proforma in August and quarterly thereafter will require:

- (i) Confirmation that you have appropriate systems in place to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties.
  - (ii) Sign off by you or your representative.
- (d) We shall be entitled to withhold and retain 2.5% of the total Funding until such time as you provide us with all information requested or we agree you have delivered the Purposes satisfactorily.

## **7. Your general obligations to us**

You must:

- (a) safeguard the Funding against fraud generally and, in particular, fraud on the part of your Personnel and notify us immediately if you have reason to suspect that any fraud within your organisation whether or not it relates to the Funding has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time.
- (b) comply with all applicable domestic, EU or international laws or regulations or official directives;
- (c) maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purposes. We reserve the right to require you to provide proof of your insurance.
- (d) put in place and maintain appropriate systems to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
- (e) co-operate fully with the Welsh Government Official and with any other employee of the Welsh Government or consultant appointed by us to monitor your use of the Funding and your compliance with these Conditions;
- (f) inform us immediately if any of the declarations made in Condition 8 are incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect.

## **8. Declarations**

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- (b) no litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- (c) the information contained in your Application is complete, true and accurate and reflects Education in Wales: Our national mission;
- (d) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing funding to you;

## **9. Notification Events and their consequences**

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will either (i) notify you that we consider that the Notification Event is not capable of remedy or (ii) if we consider that the Notification Event is capable of being remedied seek to discuss the Notification Event with you with a view to agreeing a course of action to be taken to address the Notification Event.
- (c) We will be entitled to take any of the actions listed in Condition 9(d) if:
  - (i) despite our reasonable efforts we have been unable to discuss the Notification Event with you; or
  - (ii) we notify you that the Notification Event is not capable of remedy; or
  - (iii) a course of action to address the Notification Event is not agreed with you; or
  - (iv) a course of action to address the Notification Event is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action); or
  - (v) the course of action fails to remedy the Notification Event to our satisfaction.

- (d) If any of the circumstances set out in Condition 9(c) occurs we may by notice to you:
  - (i) withdraw the award of Funding; and/or
  - (ii) require you to repay all or part of the Funding immediately; and/or
  - (iii) suspend or cease all further payment of Funding; and/or
  - (iv) make all further payments of Funding subject to such conditions as we may specify; and/or
  - (v) deduct all amounts owed to us under these Conditions from any other funding that we have awarded or may award to you; and/or
  - (vi) exercise any other rights against you which we may have in respect of the Funding.
- (e) All repayments of Funding must be made to us within 28 days of the date of our demand. If applicable, you must pay interest on any overdue repayments (on a compound basis) in accordance with the State Aid Rules.

## **10. Monitoring requirements**

Monitoring of impact and additionality of the Funding will be evidenced using existing mechanisms and information as far as possible.

You must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions including without limit:
  - i) a copy of your consortium business plan and completed outcomes framework.
  - ii) a profile of expenditure and initial, then subsequently quarterly, updates on the spending profile indicating any variances, against which future payment may be revised;
  - iii) participation in termly review and challenge sessions and submit a short report against the outcomes framework ahead of each termly review and challenge meeting to the Project Manager, which will outline evidence of spend, value for money, and progress to date against each Education in Wales objective;
  - iv) access to papers for discussion at your Joint Committee or Company Board and Advisory Board meetings as appropriate through your nominated Welsh Government representative, including self-evaluation reports and regular progress updates against your business plan;
  - v) such other information as reasonably needed to understand impact, value for money and progress against delivery of the Purposes of the Funding including as and when required by the Cabinet Secretary for Education and the Wales Audit Office.

- (b) meet with the Welsh Government Official and such other of our representatives as we may from time to time reasonably require; and provide information to support those meetings as reasonably required including without limit:
  - i) Regular meetings between consortia Managing Directors and Welsh Government Director of Education and Deputy Directors, with frequency of meetings to be agreed;
  - ii) Any meeting the Director of Education may require you to attend;
  - iii) Attendance at and to support termly Review and Challenge Sessions;
  - iv) Support opportunities for Welsh Government officers to meet with consortia operational leads;
  - v) Other reasonable access as required for monitoring progress against delivery of the Purposes.
- (c) ensure that the Project Manager (or such other person as we may agree) together with any other person we may require attends all meetings with the Welsh Government Official.

## **11. Audit Requirements**

- (a) You must:
  - (i) maintain clear accounting records of delegated funding amounts to school level and maintain clear accounting records identifying all income and expenditure in relation to non-delegated funds;
  - (ii) without charge, permit any officer or officers of the Welsh Government, Wales Audit Office or European Commission at any reasonable time and on reasonable notice being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to your use of the Funding. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
  - (iii) retain this letter and all original documents relating to the Funding until we inform you in writing that it is safe to destroy them;
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold documents to give any

assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

- (c) Schools are not required to classify expenditure in relation to the Purposes of Funding, however you must ensure you can provide us with the information requested in the funding offer

## **12. Third party obligations**

- (a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, employees and contractors).
- (b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly arising as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party.

## **13. Intellectual property rights and publicity**

- (a) Nothing in these Conditions transfers to us any rights in any intellectual property created by you as a result of the Purposes.
- (b) You must acknowledge our support in relation to the Purposes. Such acknowledgement(s) must be in a form approved by us and must comply with the Welsh Government's branding guidelines.
- (c) You agree that from the date of this letter until 5 years from the date of the final payment of Funding we may include details about your organisation and business, the Funding and the Purposes in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.

## **14. Information**

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the "FOIA"), the Environmental Information Regulations 2004 (the "EIR") and the Data Protection Act 1998 (the "DPA").
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
  - (i) to disclose any information which we have obtained under or in connection with the Funding to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/or



- (ii) any information is exempt from disclosure under the FOIA or the EIR.
- (c) You acknowledge that we may share any data you provide to us with fraud prevention agencies and third parties for the purposes of preventing and detecting fraud.

## 15. Buying goods and services

If you decide to buy any goods and/or services to deliver the Purposes, they must be purchased in a competitive and sustainable way so as to demonstrate that you have achieved best value in the use of public funds.

## 16. Giving notice

- (a) Where notice is required to be given under these Conditions it must be in writing (this does not include email but may include a letter attached to an email) and must prominently display the following heading:

***“Notice in relation to the regional consortia school improvement grant 2018-19, aligned to Education In Wales: Our national mission.”***

- (b) The address and contact details for the purposes of serving notice under these Conditions are as follows

You: the Project Manager at the address stated in Condition 3.

Us: the Welsh Government Official at the address stated in Condition 3.

- (c) A notice will be deemed to have been properly given as follows:-

Prepaid first class post:	on the second working day after the date of posting.
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By hand:	upon delivery to the address or the next working day if after 4pm or on a weekend or public holiday.
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By email attachment:	upon transmission or the next working day if after 4pm or on a weekend or public holiday.
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**17. Equal opportunities**

You must apply a policy of equal opportunities as employers, as users of volunteers, and as providers of services, regardless of race, gender/gender identification, sexual orientation, religion and belief, age or any disability.

**18. Welsh language**

Where the Purposes include or relate to the provision of services in Wales they must be provided in such a way as to not treat the Welsh language less favourably than English, in accordance with the Welsh Language (Wales) Measure 2011.

**19. Sustainability**

Your use of the Funding must (where reasonably practicable) meet the Welsh Government's current agenda for sustainable development and the environment.

**20. Welsh Ministers' functions**

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in , or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

**21. General**

- (a) If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to these Conditions must be in writing and signed by us and you in the same manner as this letter.

- (d) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- (e) Conditions 7, 9, 11, 13, 14, and 21(e) and such other Conditions which by implication need to continue in force beyond the final payment of Funding will so continue in full force and effect.
- (f) The award of the Funding is to you alone and no one else is entitled to make any claim in respect of the Funding or seek to rely on or enforce any of these Conditions.
- (g) These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

## **22. How to accept this offer of Funding**

- (a) To accept this award of Funding you must sign and return an electronic e.g. PDF copy of this letter to the Welsh Government Official. This must be returned from the email address of project manager named in this award letter.
- (b) We must receive your signed letter within 36 days of the date of this letter or this award of Funding will automatically be withdrawn.

Yours sincerely

A handwritten signature in black ink that reads "M. J. Godfrey". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Signed by Mel Godfrey  
under authority of the Cabinet Secretary for Education one  
of the Welsh Ministers

## Schedule 1

### The Purposes, Governance and Monitoring

The Purpose of this Funding awarded to you on behalf of the ERW consortium is to support the regional consortium and the related authorities within the consortium in delivering our aspirations and priorities for schools and education outlined within Ambitious and Learning from our national strategy, Prosperity for All, and our plan of action for education, Education in Wales: Our national mission.

Education in Wales: Our national mission sets out how the school system will move forward over the period 2017-21, securing implementation of the new curriculum with a focus on leadership, professional learning, and excellence and equity within a self-improving system. The action plan focuses on raising standards for all, reducing the attainment gap, and delivering an education system that is a source of national pride and public confidence, which are our overarching aspirations for education in Wales.

Regional consortia in Wales and their related local authorities have a significant role to play in improving educational outcomes for all learners in Wales and in delivering our substantial educational reform.

The Funding Letter issued to Consortia Managing Directors, Local Authority Lead Directors of Education and Banker Authority Section 151 Officers on 19 December 2018 is formalised within two formal grant awards to regional consortia, the Pupil Development Grant and this Award of Funding.

The Funding Letter outlines our overarching national priorities for 2018-19 and how these should be delivered in the context of Education in Wales. The Funding must support you to deliver against our national priorities for education, at the centre of which is a transformational curriculum and a focus on four key enabling objectives which your action will support:

- Developing and delivering a high quality education profession
- Inspirational leaders working collaboratively to raise standards
- Strong and inclusive schools committed to excellence, equity and well-being
- Robust assessment, evaluation and accountability arrangements supporting a self-improving system.

The outcomes will be supported by a range of measures and key performance indicators, as outlined in your consortium business plan (the Application). Your Application will form part of the Draft Education Outcomes Framework at Annex 1A, which both parties will agree.

The Funding will be organised around the following pre-requisites and requirements:

**Policy requirements and expectations**

We will agree the expectations for each policy area at the first regular meeting with you and we will review this on a regular cycle thereafter on a mutually agreed reporting format with frequency of the cycle to be agreed.

**Sustainability and citizen-focused**

Initiatives supported by the grant must be sustainable, learner focused, and in line with the Well-being of Future Generations Act.

**National Model for Regional Working**

The expectations set out in the National Model for Regional Working guidance remain the same and should continue to be followed. The national model governance structures will also be used to monitor progress, including wherever appropriate to evidence the Funding requirements.

**Joint consortia working**

In line with the expectations set out in the National Model for Regional Working you will work with regional consortia across Wales to maximise opportunities for sharing good practice and learning across all Education in Wales objectives, and especially those newer in development, such as wellbeing.

**Supporting a self-improving system**

Where appropriate, you will facilitate, schools, Foundation Phase providers and PRUs' consideration of cluster models, and collaboration across the four consortia regions when determining the most effective use of the Funding to support the delivery of improved outcomes for learners

**Equity of approach**

You must be able to demonstrate equity of approach across the consortium and its related authorities in delegating the Funding to schools.

**Cluster working**

Where appropriate you may facilitate the consideration of cluster models for schools, Foundation Phase providers and PRUs when determining the most effective use of funding to support the delivery of improved outcomes for learners.

**Challenge Advisers and School Development Plans**

Consortia challenge advisers will provide support and challenge to schools to ensure their school development plans appropriately reflect their improvement journey and local priorities.

### **Monitoring and reporting**

The monitoring requirements are set out in Section 10, explaining how we will evaluate the progress, impact and additionality of the Funding in delivering Education in Wales against the measures in the Application.

The Funding Letter is formalised within two formal grant awards, the Pupil Development Grant and this Award of Funding. Regular meetings between you or your representatives and us, and engagement in and reporting in advance of Review and Challenge meetings will cover both Awards of Funding.

### **Profile of expenditure**

The Funding letter confirms how we have determined your regional allocation. In accepting this award of Funding you agree to allocate funds in line with our allocation within an acceptable tolerance which will be agreed with us. You will submit to the Welsh Government Director of Education in writing any requests for virement of money between budget lines and Education in Wales objectives identified within the Funding Letter.

All variances will be reflected in your spending profile updates. Payments will be made in accordance with your profile of spend.

### **Value for Money and additionality**

You will be expected to evidence the additionality of the Funding, value for money and its impact.

This applies to the total Funding offered within this Award. In addition, you will evidence the additionality and impact specifically of the elements of support provided under the Raising School Standards manifesto and Programme for Government commitment within this Award.

### **Maximising funding to schools**

In planning activity and setting your business plan and profile of expenditure you must evidence a clear and demonstrable commitment to passporting the majority of funding to schools. You will provide Welsh Government with assurances of this as part of your Application and quarterly updates. For the EIG element you will maintain a minimum 80% delegation.

### **Minimising administration and management costs**

The grant arrangements support efforts to reduce the administration costs of managing the Funding. You will demonstrate and evidence a commitment to maintaining a low level of spend in managing and administering the Funding.

The Funding may be used to support the management and administrative costs of delivering the Pupil Development Grant.

### **Support for Design and Development of the new curriculum**

The Funding supports the preparation of pioneer schools and all schools and consortia to work with the new curriculum from 2022, ensuring all schools have experience of curriculum and assessment arrangements and are

involved in the development process. It will help ensure all schools have seen and thought through and had input into the development of the new curriculum so as to be ready to respond at publication from 2019

### **Welsh language**

You will agree the requirements of the Funding for Welsh language policy expectations within 6 weeks of the award of Funding. You will agree with our policy lead how you will evidence value for money and demonstrate evidence of local need and local delivery.

### **Learning in a Digital Wales (LiDW) – Phase II CPD**

The Funding Award replaces the grant extension for 2018-19 financial year for the LiDW Phase II CPD grant. The funding must be used to measurably increase the overall usage of the Hwb platform and associated tools and resources by schools in your region year on year. You will agree with our policy lead the requirements within 6 weeks of the award of Funding.

Specific conditions of Funding for the period relating to the element which supports the Education Improvement Grant for Schools

### **EIG - Local Authority Match funding for the consortium**

Local Authorities provide match funding to the Education Improvement Grant for Schools element of the Funding. The 2018-19 level is set at the match funding level to the Education Improvement Grant for Schools for 2017-18.

### **EIG - Foundation Phase**

The Funding must be used to support the Foundation Phase staff to learner ratios as part of the delivery of a high quality and effective Foundation Phase curriculum. The Funding must also be used to support Foundation Phase practitioners in non-maintained settings to deliver high quality provision.

You and your related authorities must be able to confirm that your distribution formula for the Funding supports schools and settings to deliver the Foundation Phase in accordance with the ratios.

### **EIG - Support for Welsh in Education Strategic Plans**

The Funding must be used to support the delivery of local authority Welsh in Education Strategic Plans in working towards the aims of our Welsh-medium Education Strategy.

### **EIG – Support for minority ethnic achievement and the education of Gypsy Roma Traveller learners**

In line with the assurances provided by Local Government against the expectations of the Cabinet Secretary for Education, from 2018-19 this area of provision is no longer eligible expenditure under the Funding.

**General**

In accordance with Condition 10, we may from time to time request information about the Grant. Any failure by you to provide satisfactory information will be deemed a Notification Event.

Nothing in this Schedule shall relieve you of any of your obligations to us as set out in the Conditions.



## **Schedule 1A**

### **Draft Education Outcomes Framework**

The measures and key performance indicators identified within your Application, form part of the Education Outcomes Framework, against which we will monitor evidence of impact, value for money and progress against delivery of the Purposes and the overarching and enabling objectives.

An outcomes framework is included within the documents accompanying this grant award.

## **SCHEDULE 2**

### **Notification Events**

The Notification Events referred to in Condition 9 are listed below:

1. repayment of any part of the Funding is required under European Law (whether under State Aid Rules or otherwise);
2. you fail to comply with any of the Conditions;
3. the Funding, in full or in part, is not being used for the Purposes;
4. there is unsatisfactory progress towards completing the Purposes;
5. you fail to provide information about the Purposes requested by us, the European Commission or the European Court of Auditors, or any of their auditors, agents or representatives;
6. we have reason to believe that you and/or any of your Personnel are involved in fraudulent activity or have been involved in fraudulent activity whilst the Purposes are/were being carried out;
7. we have made an overpayment of Funding to you;
8. any declaration made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
9. any petition is presented or resolution passed or other action taken for your bankruptcy or winding-up or a petition is presented for an administration order against you;
10. a receiver or an administrative receiver is appointed in respect of you or in respect of all or any part of your assets;
11. a moratorium in respect of all or any of your debts or a composition or an agreement with your creditors is agreed, applied for, ordered or declared;
12. you are unable, or admit in writing your inability, to pay your debts as they fall due;
13. any distress, execution, attachment or other process affects any of your assets;
14. a statutory demand is issued against you;
15. you cease, or threaten to cease, to carry on all or a substantial part of your business;

16. there is a change in your constitution, status, control or ownership and/or your external auditors resign;
17. there is a change in your shareholders, directors, trustees or partners;
18. any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions.

### SCHEDULE 3

#### Payment Profile

Payment will be made to you every two months in line with your spending profile. An initial update in August and subsequent quarterly updates of the spending profile are required under the terms and conditions of the Funding award.

Future payments will be revised to reflect changes and variations identified in your profile of spend.

We will aim to process payments on or within 5 days of the dates identified below.

Period		Payment date for processing	Amount against Spending profile
1	March – April 2018	26 April 2018	5,207,282
2	May – June 2018	26 June 2018	5,535,666
3	July – August 2018	28 August 2018	5,231,800
4	September – October 2018	25 October 2018	8,270,461
5	November – December 2018	18 December 2018	5,535,666
6	January – February 2019	26 February 2019	8,270,461
7	March 2019	26 March 2019	2,919,766

In August 2018, we will issue a variation to extend the term of the Funding from 1 April 2019 to 31 August 2019, which will include arrangements for payments for the remainder of the period. It is our intention to review payment arrangements with a view to moving from bi-monthly to quarterly payments from August 2018.

The Funding Letter issued on 19 December 2017, including as revised and provided with this Funding Award, provides detail of the full grant amount available for the financial year 2018-19.

## GRANT ACCEPTANCE

Following issue of the formal Award of Funding, you or your representatives are asked to provide confirmation of your acceptance in principle within 5 working days of this letter with full acceptance thereafter in accordance with the conditions of acceptance.

We hereby accept the award of Funding for **the Regional Consortia School Improvement Grant 2018-19** to support delivery of the Welsh Government's priorities in *Education in Wales: Our national mission*, against the Funding Letter issued to you on 19 December 2017 and the Conditions relating to the Funding

\_\_\_\_\_. Signature  
An authorised signatory of Pembrokeshire County Council

\_\_\_\_\_. Name

\_\_\_\_\_. Job Title

\_\_\_\_\_. Date

\_\_\_\_\_. Signature  
An authorised signatory of Pembrokeshire County Council

\_\_\_\_\_. Name

\_\_\_\_\_. Job Title

\_\_\_\_\_. Date

\_\_\_\_\_. Signature  
An authorised signatory of the ERW consortium

\_\_\_\_\_. Name

\_\_\_\_\_. Job Title

\_\_\_\_\_. Date



Llywodraeth Cymru  
Welsh Government

Betsan O'Connor  
Managing Director, Education through Regional Working Y  
Llwyfan  
College Road  
Carmarthen  
SA31 3EQ

cc: Directors of Education

22 May 2018

Dear Betsan

**Pupil Development Grant 2018-2019: Support for looked after children**

Ruth Conway's letter of 20 April, inviting support plans for the Pupil Development Grant (PDG), referred to a follow up letter from myself specifically on the looked after children element of the grant.

You will be aware that we commissioned an independent evaluation of the PDG for looked after children (PDG LAC) last autumn. The evaluation is being carried out by ICF Consulting Ltd in association with Arad Research and Cardiff University and we have received a draft of the final report. The evaluation poses interesting and complicated questions that require detailed consideration.

It is clear from the evaluation that significant work is required to strengthen the current arrangements. The evaluation looks only at 2015-16 and 2016-17 and I am aware that some progress has been made since then in strengthening arrangements; but there is further work to do. We will need to look critically at how we might improve the current arrangements and move to a model with greater consistency, equity and robustness from April 2019. There is a role for us all in this and a collaborative approach is needed to ensure real and lasting progress.

As a consequence, I do not intend to prescribe detailed expectations on the management of PDG LAC for this financial year, beyond those outlined in the grant invitation from Ruth. A copy of Ruth's letter is attached for completeness. You will note that the grant invitation refers specifically to use of the PDG to fund a regional lead coordinator for PDG LAC. The lead coordinators will have a fundamental role to play in shaping and implementing the approach from April 2019. Therefore, this continues to be a requirement.

Developing a new approach ahead of April 2019 needs to be a priority. The Cabinet Secretary has been very clear on the importance of supporting this particularly vulnerable group of learners to achieve their full potential; effective use of the PDG LAC is crucial in this. She will look to me for reassurance that we are doing all we can to avoid a repeat of the disappointing 2017 GCSE results for these learners. Therefore, I intend to proceed on the following basis:

- An internal workshop which is scheduled to take place later this week. At this we will work through the complex issues raised in the evaluation with challenge from colleagues from our Social Services Department.
- A paper will then be presented by Ruth and her team at my Senior Management Team meeting. This will help ensure the options we are considering are robust and align with our wider priorities and approaches.
- A workshop with you and your coordinators will be the next stage. At this I expect to present our preferred approach but we will also be open to having a conversation about it, in particular around practical and operational feasibility and management.

There is, of course, a much bigger picture when it comes to looked after children. PDG LAC is just one – albeit important – part of that picture. Local authorities have legal responsibilities around the care and education of looked after children. They will, therefore, have a role in the development of the new approach and we ensuring that Directors of Education are engaged in the process will be important.

Last year I wrote to you clearly setting out my expectations for your approach to utilising this grant for 2018-19; these expectations still stand. However, the extent to which these have been observed over the last year has been variable across the four regions. We will be carefully scrutinising the plans when we receive them and through monitoring of the grant during the year.

This will be a transition year moving towards a more consistent, national approach from 1 April 2019 which takes account of the findings of the independent evaluation. We can discuss the mechanics and practicalities of introducing transitional arrangements at our regular meetings.

In the meantime, Tania Nicholson and her team will be in touch with you and your lead coordinators to arrange the workshop I refer to above.

I look forward to your support on this. Yours

sincerely



**Steve Davies**  
**Director, Education Directorat**