



Ein Rhanbarth ar Waith  
Education through Regional Working

# Datganiad Llywodraethu Blynyddol 2018-19

## Annual Governance Statement 2018-19

Cynghrair o 6 awdurdod lleol yw ERW a reolir gan gyd-bwyllgor cyfansoddiadol cyfreithiol.  
Y nod yw gweithredu strategaeth a chynllun busnes rhanbarthol cytunedig a chefnogi gwelliant ysgolion.

ERW is an alliance of 6 local authorities governed by a legally constituted joint committee.  
Its aim is to implement the agreed regional strategy and business plan to support school improvement.



## Introduction

ERW is an alliance of six local authorities governed by a legally constituted Joint Committee. ERW provides a single integrated regional professional school effectiveness service driving school improvement and learner achievement across the combined area of six local authorities in the South West and Mid Wales region within three hubs:

- Carmarthenshire/Pembrokeshire
- Ceredigion/Powys
- Neath Port Talbot/Swansea

### **‘Improving Learning Together’**

#### **Mission Statement:**

**‘ERW has a clear mission of actively working together to improve teaching and learning to secure the best outcomes for all learners.’**

#### **ERW’s Aims:**

- **Improve the quality of Leadership and its impact on outcomes;**
- **Improve the quality of teaching and learning experiences and its impact on outcomes;**
- **Reduce the impact of poverty on attainment, support vulnerable learners, and ensure all learners reach their potential;**
- **Deliver high quality and bespoke support, challenge and intervention to schools;**
- **Communicate effectively with all stakeholders.**

#### **ERW’s Values:**

- **Equity & Fairness**
- **Supportive**
- **Innovation**
- **Collaboration**
- **Integrity**

## **Review of Governance Arrangements**

### **What is Governance?**

ERW is responsible for ensuring that its business is conducted in accordance with laws, regulations and its ethical standards. The governance framework is the process, culture, values and systems by which this is achieved.

To deliver good governance in local government, both ERW and its Officers must try to achieve ERW's priorities whilst acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for learners and other stakeholders.

### **ERW Governance Framework**

The [ERW Code of Corporate Governance](#) was approved by the Joint Committee on 16 July 2018.

The [ERW Business Plan 2018-19](#) was approved by the Joint Committee on 12 October 2018. The Business Plan identified the following four improvement priorities that match with the enabling objectives of The National Mission:

- To develop a high-quality education profession;
- To develop inspirational leaders and to facilitate them working collaboratively to raise standards;
- To develop strong and inclusive schools that are committed to excellence and wellbeing;
- To develop robust assessment, evaluation and accountability processes that support a self-improving system.

In addition to the detailed plan to deliver the improvement priorities, the Business Plan 2018-19 outlines ERW's approach to:

- Delivering Local, Regional & National Priorities;
- Approach to School Improvement;
- The Welsh Language;
- The Business Planning Process (including the Value for Money Framework).

Following extensive engagement across the Region a proposal for [ERW's Review & Reform](#) Programme was approved by the Joint Committee on 8 February 2019 as a working model, subject to further budget discussions.

## **Joint Committee**

The [Joint Committee](#) is made up of the six Local Authority Leaders supported by the six Chief Executives and is advised by Lead/Statutory Officers, the Executive Board and external school improvement experts. Internal Audit and Wales Audit Office report independently to the Joint Committee.

## **Executive Board**

The [Executive Board](#) is made up of the Directors of Education of each of the six local authorities, the Managing Director, the Section 151 Officer (or deputy) and external members.

## **Scrutiny**

All work streams and activity both locally and regionally are led by the Joint Committee and are accountable locally. The Chairs and Vice Chairs of the six local authorities' Education Scrutiny Committees meet bi-annually as a [Scrutiny](#) Group to consider scrutiny work plans and make requests directly to the Joint Committee. In March 2019, the Scrutiny Group reviewed their Terms of Reference and agreed the following changes:

- Increase meetings to four times a year (month preceding a Joint Committee meeting);
- Alignment of the work programme with the Joint Committee work programme
- Standing agenda items and attendance at meetings.

## **Headteacher Representative Board**

The [Headteacher Representative Board](#) is made up of the Chair or Representative of each Headteacher association in the six local authorities. Its aim is to act as a reference point to ERW in terms of its interface with school leaders.

## **Statutory/Lead Officers**

During 2018-19, only the Managing Director role changed:

- Lead Chief Executive – Phil Roberts (Chief Executive, Swansea)
- Lead Education Director – Ian Budd (Director of Education, Powys)
- Managing Director – Geraint Rees (Interim Managing Director) took over from Betsan O'Connor in October 2018
- S151 Officer – Jon Haswell (Director of Resources, Pembrokeshire)
- Monitoring Officer – Elin Pryor (Monitoring Officer, Ceredigion)

In April 2019, Eifion Evans (Chief Executive, Ceredigion) was appointed as Temporary Lead Chief Executive due to the absence of the Lead Chief Executive and Ms Kate Evan-Hughes (Director for Children & Schools, Pembrokeshire) was appointed as the Lead Education Director following the departure of the former Lead Education Director from the region.

## **Central Team**

In September 2018, an engagement exercise was undertaken with the 6 Local Authorities' education department leads and subsequently with the wider head teacher community across the region. Following feedback from the exercise the current organisational structure was evaluated, resulting in a proposal for a new central staffing structure which was approved by the Joint Committee in February 2019.

## **Internal Audit**

Pembrokeshire County Council, as the Lead Authority for Finance, provides the Internal Audit Service to ERW. The role of Internal Audit is to provide independent assurance on the effectiveness of governance, internal control, financial management and risk management arrangements in place. To ensure that the Internal Audit plan is appropriately risk-based, it is agreed on an academic year and undertaken in the latter quarters of the year. In accordance with the Public Sector Internal Audit Standards, a risk-based plan of work was agreed with the Section 151 Officer and the Interim Managing Director and was approved by the Joint Committee in February 2019. The Head of Internal Audit's Annual Assurance Opinion concluded that overall, limited assurance is placed on the adequacy and effectiveness of governance, internal control, financial management and risk management arrangements in place. Management have agreed to implement the recommendations made following the internal audit review. The implementation of these recommendations in an effective and timely manner will assist in strengthening the governance, internal control, risk management and financial management arrangements in place.

Internal Audit were asked to undertake an investigation into the Leaders of Learning Programme, including funding and governance arrangements. This work concluded in June 2019 and findings from this investigation have also fed into the Annual Governance Statement.

In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit undertook a self-assessment of compliance with the Public Sector Internal Audit Standards. The Assessment concluded that the Internal Audit Service conforms to the Code of Ethics and the Public Sector Internal Audit Standards.

## **External Audit & Regulators**

The Wales Audit Office are the appointed external auditors for ERW. Estyn provide an independent inspection and advice service on quality and standards in education and training provided in Wales. No reviews were undertaken during 2018-19, however Estyn have undertaken a review in June 2019, and a formal report is awaited but positive verbal feedback was received.

## Business Risk Management

Members and Officers are responsible for ensuring that risk is considered in the decisions that they take and suitable arrangements are put in place to manage risk. Business Risk Management arrangements have been strengthened during 2018-19. The Joint Committee has responsibility for overseeing the ERW's Business Risk Management arrangements. The table below is a summary of movement of risks in ERW's risk register for 2018-19:

Risk	Residual Rating February '19	Residual Rating October '18	Residual Rating July '18
ERW Estyn Monitoring result in follow up/Failure to comply with Estyn Action Plan	12	16	16
Cuts to School Services/Cuts to School Budgets	12	12	12
Failure to deliver Business Plan	9	9	16
New National Model/Deliver National Mission	9	9	9
Pembrokeshire Estyn Monitoring result in follow up	8	8	
Carmarthenshire Estyn Monitoring result in follow up	8	8	
Org Design, Governance or Legal footing found to be ineffective/ERW Governance	8	8	16
Non-compliance with Grant Terms and Conditions/WG Grant Compliance	8	12	12
Data Protection	8	8	
ERW is found to not provide Value for Money	8	8	9
LA failure to comply with Grant Regulations	8	8	6
Timeliness of Welsh Government Funding	6	6	6
Powys Estyn Monitoring result in follow up	4	4	
Ceredigion Estyn Monitoring result in follow up	4	4	4
Swansea Estyn Monitoring result in follow up	4	4	
Neath Port Talbot Estyn Monitoring result in follow up	4	4	
ERW Central Team Accommodation	3	3	6

## **Review of Effectiveness**

ERW has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness for 2018-19 was informed by a self-assessment of compliance with the CIPFA Delivering Good Governance in Local Government Framework 2016, which all Education Directors and Lead/Statutory Officers, along with the Interim Managing Director, were requested to complete. Additional assurance was provided from the Head of Internal Audit Annual Assurance Opinion based on the work undertaken by Internal Audit in 2018-19, and the minutes from the ERW Joint Committee and Executive Board. The diagram on the next page outlines what assurance was required, what sources of assurance were available under the current Governance Structure, the sources of assurance provided and the areas for improvement identified.

Two Significant Governance Issues have been identified, along with six Priorities for Improvement. The action plan on page nine provides further detail along with the actions planned and timescales for addressing.



## Review of ERW's Governance Arrangements for 2018-19

### Assurance Required on

- Achievement of objectives;
- Adherence to ethical standards;
- Compliance with laws, regulations and internal policies & procedures;
- Standards of conduct and behaviour;
- Financial management, including achievement of value for money;
- Sustainability;
- Quality of service delivery;
- Management of risk;
- Accountability.



### Sources of Assurance

- ERW Legal Agreement;
- Joint Committee;
- Executive Board;
- Scrutiny;
- Headteacher Representative Group;
- Policies;
- Business Plan & Strategies;
- Financial Plans;
- Internal Audit Reports;
- External & Regulator Reports;
- Self-Evaluation Report;
- Statutory Officers;
- HR policies and procedures;
- Impact Report;
- Value for Money Reviews;
- Risk Registers.



### Assurance Received

- Letter from Scrutiny;
- Internal Audit Report;
- Statement of Accounts;
- Head of Internal Audit Opinion;
- Joint Committee Minutes;
- Annual Assurance Checklists and Statements\_



### Areas for Improvement

- Completing the Review & Reform Programme;
- Legal Agreement and distribution of key roles and responsibilities;
- Transparency of meetings of the Executive Board;
- Transparency of grant funding arrangements;
- Review of delegation arrangements;
- Fully costed Business Plan;
- Data Protection Compliance arrangements;
- Completion of Register of Interest forms.

### Significant Governance Issues 2018-19

Significant Governance Issues	Action Planned	Timescale and Lead Officer
<p>Following extensive engagement across the region during 2018-19, the ERW Review &amp; Reform Programme was approved by the Joint Committee in February 2019 as a working model, subject to further budget discussions.</p> <p>Discussions have been held with Section 151 Officers, Leaders and Chief Executives to discuss the revised funding model for 2019-20 and beyond.</p> <p>This is a key piece of work for ERW which will be prioritised for delivery in 2019-20.</p>	<p>The funding model for 2019-20 has been agreed by the Joint Committee with the specific details of a funding model for 2020-21 onwards still under discussion.</p>	<p>July 2019</p> <p>Director of Resources (S151 Officer) and Interim Managing Director</p>
<p>The ERW Legal Agreement needs to be reviewed and updated following conclusion of the Review &amp; Reform Programme.</p> <p>Governance arrangements should be reviewed; in particular, the distribution of roles and responsibilities, to ensure that there is an equitable balance of power and responsibility.</p>	<p>Once the ERW Review and Reform Programme is completed and the region's strategic leadership is resolved, the Monitoring Officer can begin engaging with the Joint Committee regarding changes to the Legal Agreement, including potential amendments to Service Level Agreements with constituent Local Authorities</p>	<p>September to March 2020</p> <p>Monitoring Officer, ERW Assistant MD / Interim MD</p>
Priority for Improvement	Action Planned	Timescale and Lead Officer
<p>There needs to be greater transparency of meetings of the Executive Board through publishing minutes of meetings. This should also provide evidence to the Joint Committee that robust challenge is undertaken by the Executive Board, including delivery of outcomes, financial challenge and value for money scrutiny.</p>	<p>Regarding the Executive Board, the paper on ERW Governance being constructed by 2 LA Directors will make recommendations on the content of Executive Board agendas, which will allow ERW to make an informed decision on publication of minutes and agendas</p>	<p>September 2019</p> <p>Lead Director + 1.</p>

Priority for Improvement	Action Planned	Timescale and Lead Officer
<p>There needs to be greater transparency over grant funding arrangements. The Joint Committee should approve utilisation of grant funding and ratify decisions delegated to the Executive Board, this should include any centrally retained funding.</p> <p>The expenditure virement process between grants should be formalised to ensure clarity, transparency and scrutiny of transfers.</p>	<p>Directors are currently working on a paper relating to ERW's governance structure moving forward. Within this piece of work, there will be recommendations on various delegation arrangements.</p> <p>Virements between elements of the RCSIG are going to be reported to the ERW Directors on a monthly basis moving forward, as well as the monthly detailing of payments to Local Authorities and their schools.</p>	<p>August 2019, signoff in Autumn 2019 Joint Committee</p> <p>Lead Director + 1</p> <p>Interim MD</p>
<p>Delegation arrangements should be clarified and formally approved by the Joint Committee. Records should be published of delegated decisions to improve transparency and accountability.</p>	<p>As part of ERW's new work programme, there will be Working Groups for priority areas consisting of 3 School Practitioners, 2 LA Staff, and 1 Director of Education. These groups will monitor and agree spend, and will be incorporated into the aforementioned work regarding ERW Governance. Moving forward, Directors will also receive a monthly update on budget summaries, which includes delegation of funds to schools.</p>	<p>September 2019</p> <p>ERW Director Group, ERW SLT.</p>
<p>The Business Plan should be fully costed to ensure priorities are deliverable and performance measures identified which demonstrate value for money. Performance should be monitored by the Joint Committee throughout the year to ensure that outcomes are delivered in accordance with National Priorities and value for money is being achieved.</p>	<p>This exercise has commenced and should be completed by July 2019.</p>	<p>July 2019</p> <p>Interim Managing Director and Head of Finance &amp; Business Services (Deputy S151 Officer)</p>

Arrangements to ensure compliance with Data Protection legislation need to be put in place.	By September, there will be a working group to support the work in Digital Learning and Systems. One key task for this group will be to write a paper on how best to ensure compliance with the General Data Protection Regulation, and make recommendations to the Joint Committee.	Autumn Joint Committee  ERW Lead for Digital and Systems
Register of Interest forms should be completed annually, continuously considered for potential conflicts and should be available for review by the Joint Committee.	Expressions of Interest were circulated for completion in the May 2019 Joint Committee meeting, with a deadline to be completed by the end of June. As new Senior Officers begin in post in September, their declarations will be completed during their induction cycle. These will then be passed on to the ERW Monitoring Officer.	September 2019  ERW Interim MD

We are committed to implementing the improvements outlined above to enhance the achievement of our intended outcomes. We are satisfied that these steps will address areas of improvement identified by both our internal and external assurance providers.

Signed by ERW Interim Managing Director

Date:

Signed by Lead Chief Executive

Date:

Signed by Chair of the Joint Committee

Date: