

# Annual Governance Statement 2019-20



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

## ERW Consortium

ERW was formally established as a Joint Education Improvement Service with the first formal meeting of the Joint Committee held on 25 July 2014. From 2014 to March 2020, the consortium consisted of six Local Authorities:

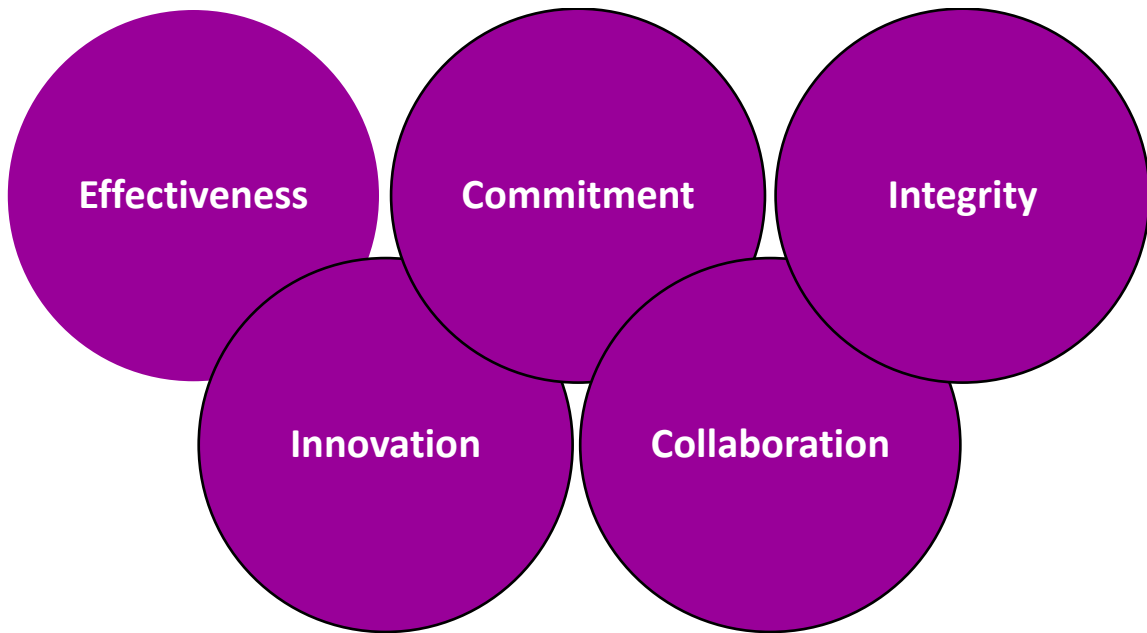
- City and County of Swansea Council
- Neath and Port Talbot County and Borough Council
- Powys County Council
- Ceredigion County Council
- Pembrokeshire County Council
- Carmarthenshire County Council

Neath Port Talbot County and Borough Council withdrew from the consortium on 31 March 2020. City and County of Swansea Council, Carmarthenshire County Council and Ceredigion County Council have given notice to withdraw from the consortium on 31 March 2021.

A report to the Joint Committee in February 2020 regarding the [future footprint](#) of ERW highlighted that ERW has struggled to function effectively and identified a number of challenges faced.

Leaders and Chief Executives have met with the Minister for Local Government for an initial discussion regarding potential future arrangements, at which there was a stated preference for two new consortia to be based on the footprints for the two growth deals; Swansea Bay City Deal and Growing Mid Wales. This preference was confirmed at the Joint Committee meeting on 21 July 2020.

## ERW'S VALUES



## 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 bespoke support**, challenge and intervention to schools;
- **Communicate** effectively with all stakeholders.

# **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.

## **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 2019-20 was informed by a self-assessment of compliance with the Delivering Good Governance in Local Government Framework 2016. Additional assurance was provided by the Head of Internal Audit Assurance Opinion based on the work undertaken by Internal Audit in 2019-20, along with the minutes from the ERW Joint Committee. The diagram on the next page outlines what assurances were available under the current Governance Structure, the sources of assurance provided and the areas for improvement identified.

The review is focused on the effectiveness of arrangements during the financial year 2019-20. ERW has been impacted by the COVID-19 pandemic from March 2020, the review will identify areas that have been affected and the alternative arrangements that have been put in place to mitigate the impact on the Governance Framework.

## ERW Governance Framework

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

The [ERW Business Plan 2019-20](#) was approved by the Joint Committee on 3 April 2019. The Business Plan identified five improvement priorities that match the enabling objective of The National Mission:

- Developing and delivering a transformational curriculum;
- 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, the Business Plan 2019-20 outlines ERW's approach to:

- Delivering Local, Regional & National Priorities;
- Approach to Schools Improvement;
- The Welsh Language;
- The Business Planning Process.

The Business Plan 2019-20 did not detail the value for money framework in which it will operate, nor were milestones, key performance metrics or success criteria included by which outcomes could be measured. This has been acknowledged and will be developed for 2020-21.

### Joint Committee

During 2019-20 the [Joint Committee](#) comprised 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 Audit Wales report independently to the Joint Committee. Neath Port Talbot County Borough Council withdrew from the consortium on 31 March 2020.

During the COVID-19 response, formal meetings were temporarily suspended due to lockdown and legislative restrictions. Following publication of The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, the first remote meeting of the Joint Committee was held on 21 July 2020. Consequently the Joint Committee will not have met for seven months, which will have impacted on decision making.

## **Executive Board**

The [Executive Board](#) is made up of the Directors of Education from each of the Local Authorities, the (Interim) Managing Director, the Section 151 Officer (or deputy), Headteacher representatives and external members.

The Executive Board has not met regularly and minutes of meetings have not been published since June 2017.

## **Scrutiny Councillor Group**

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 Committee's met three times during 2019-20 as a [Scrutiny Councillor Group](#) to consider scrutiny work plans and make requests directly to the Joint Committee.

## **Statutory/Lead Officers**

The following Lead and Statutory roles have been held by the same officers for a number of years, affording consistency and stability:

- Lead Chief Executive – Phil Roberts (Chief Executive, Swansea)
- Section 151 Officer – Jon Haswell (Director of Resources, Pembrokeshire)
- Monitoring Officer – Elin Prysor (Monitoring Officer, Ceredigion)

However, there have been several changes to the following roles during 2019-20:

- Lead Education Director:
  - Gareth Morgans (Director of Education, Carmarthenshire) Interim Lead Director February 2020 to 21 July 2020 when the role was confirmed by the Joint Committee;
  - Kate Evan-Hughes (Director of Children & Schools, Pembrokeshire) April 2019- January 2020.
- Managing Director:
  - Interim Managing Director – Yan James June 2020 to date;
  - Interim Managing Director – Andi Morgan September 2019 – May 2020;
  - Interim Managing Director – Geraint Rees September 2018 to July 2019.

## **ERW Team**

In February 2019, the Joint Committee approved a new central staffing structure. The structure for ERW is made up of the following:

- [Senior Leadership Team](#)
- [Curriculum Team](#)
- [Secondary Specialists Team](#)
- [Central Team](#)
- [Business Support](#)

## **Revised Governance Structure**

A revised [Governance Structure](#) was presented to the Joint Committee in November 2019 for consideration. A formal decision by the Joint Committee was deferred pending publication of the Local Government & Elections Bill. Joint Committee approved the Strategic groups at their meeting on 9 December 2019, a decision on the remainder of the Governance Structure remains deferred.

## **Consultation, Communication & Engagement**

During the Autumn Term 2019, senior ERW officers implemented a series of 'ERW Roadshows' across the region. These events were designed to provide all school communities across the region with an update and insight into the revised ERW structure, content and direction of the Business Plan and of greatest importance, an open opportunity and platform to consult and raise matters in support of enhanced provision for their schools. The events were very well received and led naturally and supportively into a further series of 'Curriculum Engagement Events.' The events (focusing on the evolving revised curriculum for Wales) were held right across the region to ensure greater levels of engagement and reinforce ERW's vision and mission to be working alongside practitioners in their own local authorities.

Based on the highly positive levels of feedback and comment, this approach was repeated by providing a second series of Curriculum Events during the Spring Term 2020. ERW tailored the content wholly in line with the outcomes of schools' requests from the Autumn Term events, thus reinforcing our strategic intention and ability to support specific levels of need in a practical manner.

COVID-19 impacted upon the continuation of this work in a face-to-face manner. However, ERW have continued to implement a similar open and embracing approach to the delivery of services via a series of 'webinars.'

The Interim Managing Director's [update report](#) presented to the Joint Committee on 21 July 2020 outlines further communication and engagement activities undertaken since December 2019 both within the region and nationally.

## **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 academic year and undertaken in the latter quarters of the financial year. In accordance with the Public Sector Internal Audit Standards, a risk-based work plan was agreed with the Section 151 Officer and Interim Managing Director and was approved by the Joint Committee in December 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 recommendations in an effective and timely manner will assist in strengthening the governance, internal control, risk management and financial management arrangements in place.

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**

Audit Wales are the appointed external auditor for ERW. Estyn provide an independent inspection and advice service on quality and standards in education and training in Wales.

Following inspections during 2019-20, Estyn determined that two Local Authorities within the ERW consortium are causing significant concern and require follow-up activity. Whilst not directly attributable to ERW it does bring into question its effectiveness in contributing to raising overall education standards.



## Business Risk Management

Members and Officers are responsible for ensuring that risk is considered in the decisions they take and suitable arrangements are put in place to manage risk. The Joint Committee has responsibility for overseeing ERW's Business Risk Management arrangements. The table below is a summary of movement of risks in ERW's risk register for 2019-20:

Risk	Residual Rating February 2020	Residual Rating December 2019	Residual Rating July 2019
Failure to Comply with Estyn Action Plan	12	8	12
Cuts to School Budgets	12	12	12
ERW Governance	12	8	8
Data Protection	12	12	8
Timeliness of Welsh Government Funding	9	6	6
ERW found not to provide Value for Money	8	8	8
LA failure to comply with Grant Regulations	8	8	8
Pembrokeshire Estyn Monitoring result in follow-up	8	8	8
Powys Estyn Monitoring results in continued follow-up	8	8	8
WG Grant Compliance	8	8	8
Delivery of National Mission	6	6	8
Carmarthenshire Estyn Monitoring results in follow-up	4	8	8
Failure to Deliver Business Plan	6	3	6
Swansea Estyn Monitoring results in follow-up	4	4	4
Neath Port Talbot Estyn Monitoring results in follow-up	4	4	4
Ceredigion Estyn Monitoring results in follow-up	4	4	4

## Review of ERW's Governance Arrangements for 2019-20

### 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;
- Business Plan;
- Financial Plans;
- Internal Audit Reports;
- Estyn Reports/Feedback;
- Audit Wales;
- Statutory Officers;
- HR Policies & Procedures;
- Risk Registers.

### Assurance Received

- Internal Audit Report;
- Head of Internal Audit Opinion;
- Joint Committee Minutes;
- Annual Assurance Feedback.

### Area for Improvement

- ERW Future Footprint;
- New Legal Agreement with Revised Governance Structure;
- Equal distribution of Lead and Statutory Roles;
- Adherence to Legal Agreement to ensure constituted transparent decision-making;
- Approved costed Business Plan including key outcomes and performance metrics;
- Accountability, Performance Management and Value for Money;
- Core Funding Agreement and Medium Term Financial Planning.

## Annual Governance Statement 2019-20 Action Plan

<b>Significant Governance Issue</b>			
<b>Current Position</b>	<b>Planned Actions/Key Milestones</b>	<b>Owner</b>	<b>Key Milestone Completion Dates</b>
<p><b>Future Footprint of ERW</b>                      The intended withdrawal of Partner Authorities by the end of March 2021 will lead to the end of ERW in its current form. A meeting has been held with Leaders, Chief Executives and the Minister for Local Government to discuss options for a revised future footprint. The decision to progress on the basis of the Swansea Bay City Deal and Growing Mid Wales respective footprints will need to be formally approved as a matter of urgency to provide certainty for all Partner Authorities. Preparations are required to establish staffing and financial implications, and to allow for new arrangements to be developed to provide a robust governance framework for the new consortia.</p>	<ul style="list-style-type: none"> <li>• Determine the milestones required to wind up the existing consortium, including Legal, Human Resource and Financial decisions which will be required.</li> <li>• Formal decisions on the future Footprint of ERW in the form of two new consortia to be taken as soon as possible and determine milestones for the delivery of the future footprint, including;</li> <li>• Agree funding arrangements for the provision of services by partner Local Authorities (e.g. in kind or service level agreement);</li> <li>• Invite invitations to tender/undertake roles against the defined Lead and Statutory roles;</li> <li>• Evaluate responses and present to the Joint Committee for consideration and approval;</li> <li>• Define Core Team and Staffing Costs for consideration and approval by the Joint Committee;</li> <li>• Determine Core Funding requirements based on the outcome of decisions.</li> </ul>	<p><b>Interim Chief Officer</b></p> <p><b>Joint Committee/Future Consortia Partner Authorities</b></p> <p><b>Joint Committee</b></p> <p><b>Interim Chief Officer</b>  <b>Interim Chief Officer</b>  <b>Interim Chief Officer</b>  <b>Section 151 Officer</b></p>	<p><b>September 2020</b></p> <p><b>September 2020</b></p> <p><b>September 2020</b></p> <p><b>October 2020</b></p> <p><b>November 2020</b></p> <p><b>November 2020</b></p> <p><b>January 2021</b></p>

<b>Priorities for Improvement</b>			
<b>Current Position</b>	<b>Planned Actions/Key Milestones</b>	<b>Owner</b>	<b>Key Milestone Completion Dates</b>
<p><b>Lessons Learned Review</b>            Consideration should be given to undertaking a Lessons Learned review to establish the failings of ERW to ensure sustainability of the future consortia.</p>	<ul style="list-style-type: none"> <li>• Joint Committee to consider and if agreed assign responsibility for undertaking a Lessons Learned review;</li> <li>• Draft scope and approach to be agreed by the Joint Committee;</li> <li>• Undertake an evidenced based review for consideration by the Joint Committee;</li> <li>• Incorporate recommendations into the future consortia arrangements.</li> </ul>	<p><b>Joint Committee</b></p> <p><b>TBA</b></p> <p><b>TBA</b></p> <p><b>All</b></p>	<p><b>September 2020</b></p> <p><b>November 2020</b></p> <p><b>November 2020</b></p> <p><b>31 March 2021</b></p>
<p><b>Legal Agreements with Revised Governance Structures</b>            New Legal Agreements will need to be in place to support the two new consortia when they come into effect, which is anticipated to be 1 April 2021. This should include reference to a revised Governance Structures and Codes of Governance, aligned to best practice, which must be adhered to.</p>	<ul style="list-style-type: none"> <li>• Even distribution of Lead and Statutory Roles to be agreed as soon as possible so that responsibility for drafting the revised Legal Agreements and Governance Structures can be assigned in readiness for the new consortia;</li> <li>• Draft Legal Agreements incorporating any proposed changes to the Governance Structures for approval by the Joint Committee of the new consortia;</li> <li>• Draft Governance Structure, including terms of reference for each group, clear roles, responsibilities and outcomes, for approval by the Joint Committee;</li> <li>• Review the Codes of Governance for the new consortia for consideration and approval by the Joint Committee of the new consortia.</li> </ul>	<p><b>Joint Committee</b></p> <p><b>TBA</b></p> <p><b>Interim Chief Officer</b></p> <p><b>Interim Chief Officer</b></p>	<p><b>November 2020</b></p> <p><b>31 March 2021</b></p> <p><b>31 March 2021</b></p> <p><b>31 March 2021</b></p>
<p><b>Business Plan</b>            The Business Plan should include clear milestones, outcomes, supported by performance measures so that delivery and effectiveness can be monitored throughout the year. The Business Plan needs to be fully costed to ensure that it is deliverable within available resources and ensure for Value for Money.</p>	<ul style="list-style-type: none"> <li>• SMART outcomes identified within the Business Plan, with clear milestones to facilitate monitoring and evidencing of delivery and effectiveness;</li> <li>• Business Plan aligned to the budget to ensure affordable and deliverable. Focus on value for money included within the Business Plan;</li> <li>• Regular, evidenced based progress reporting to the Joint Committee against the SMART outcomes.</li> </ul>	<p><b>All: Interim Chief Officer</b></p>	<p><b>September 2020</b></p>

<b>Priorities for Improvement</b>			
<b>Current Position</b>	<b>Planned Actions/Key Milestones</b>	<b>Owner</b>	<b>Key Milestone Completion Dates</b>
<p><b>Accountability, Performance Management &amp; Value for Money</b></p> <p>The Governance Structure &amp; Central Team should have clear roles and responsibilities with defined outcomes linked to the delivery of the National Mission. In order to ensure accountability and value for money can be evidenced, forward work plans for Committee's and Working Groups should be in place which include a structure for measuring performance and delivery across the consortia. There should be clear reporting lines and mechanism's to enhance accountability while avoiding unnecessary bureaucracy.</p>	<ul style="list-style-type: none"> <li>Standardised approach to Committee and Working Group establishment as part of the revised Governance Structure, to ensure that all have a unique purpose that is contributing to the delivery of the National Mission and ERW's Aims &amp; Objectives;</li> <li>Review and define the role and responsibilities of the Central Team to support the sustainability and delivery of ERW's Aims &amp; Objectives whilst delivering value for money and accountability;</li> <li>Develop a formal, evidence based reporting structure to demonstrate accountability and value for money from the Central Team &amp; Governance Structure.</li> </ul>	<b>All: Interim Chief Officer</b>	<b>31 March 2021</b>
<p><b>Core Funding Agreement &amp; Medium Term Financial Plan</b></p> <p>The future consortia will need to be supported by a Medium Term Financial Plan to enable longer-term Business Planning.</p> <p>The revised Core Funding Agreement will need to ensure that core funded posts are sustainable and continue to deliver value for money.</p>	<ul style="list-style-type: none"> <li>Based on decisions of the Joint Committee on the structure of the future consortia, identify core contributions required from Partner Authorities;</li> <li>Based on indications of Welsh Government future funding and contributions from Partner Authorities, develop Medium Term Financial Plans aligned to the revised structure and future objectives of the new consortia.</li> </ul>	<b>All: Section 151 Officers of the Consortia</b>	<p><b>January 2021</b></p> <p><b>31 March 2021</b></p>

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.

Signed by Interim Chief Officers

Date:

Signed by Lead Chief Executive

Date:

Signed by Chair of the Joint Committee

Date: