



# Education Through Regional Working

South West & Mid Wales Consortium

## Statement of Accounts 2021-22

Cynghrair o 4 awdurdod lleol yw ERW a reolir gan gyd-bwyllgor cyfansoddiadol cyfreithiol.

Y nod yw gweithredu strategaeth a chynllun busnes rhanbarthol cytunedig chefnogi gwelliant ysgolion.

ERW is an alliance of 4 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.



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## **1.0 Narrative Report**

### **1.1 Introduction**

ERW's Statement of Accounts for 2021-22 provides a record of the financial position for the year. This section of the report aims to communicate ERW's purpose, how it has performed in accordance with its overall strategy and against performance indicators over the year, and how it has allocated its resources in line with intended outcomes. It demonstrates collective performance over the year and tells the story of ERW by providing a holistic, clear and well-structured view of its strategy, governance, performance and cessation.

## **2.0 Organisational Overview**

### **2.1 Key Facts about ERW**

ERW was an alliance of six local authorities - Carmarthenshire County Council, Pembrokeshire County Council, Ceredigion County Council, Powys County Council, Neath Port Talbot County Borough Council and the City and County of Swansea Council for 2019-20. Neath Port Talbot County Borough Council left ERW on 31 March 2020, albeit ERW continued to provide them with some services during 2020-21 and 2021-22.

ERW was an alliance of five local authorities - Carmarthenshire County Council, Pembrokeshire County Council, Ceredigion County Council, Powys County Council, and the City and County of Swansea Council for 2020-21. Ceredigion County Council left ERW on 31 March 2021 so for 2021-22, it became an alliance of four local authorities from 1 April 2021 to 31 August 2021.

It was anticipated that ERW would cease on 31 August 2021 and a new partnership, 'Partneriaeth', of three local authorities - Carmarthenshire County Council, Pembrokeshire County Council and the City and County of Swansea Council would commence from 1 September 2021 with a new legal agreement. However, due to delays in determining the staffing structure for the new Partneriaeth and the timescales for the related consultation and HR processes to be completed, ERW continued to operate, ceasing at the end of 2021-22. Whilst Powys County Council remained part of ERW until 31 August 2021, they have received no services from 1 September 2021. The new 'Partneriaeth' commenced on 1 April 2022, with a new legal agreement in place for the three partner local authorities. It is understood that the other local authorities will be making their own arrangements for the future.

ERW is governed by a legally constituted Joint Committee and provides a single integrated regional professional school effectiveness service driving school improvement and learner achievement across the combined area in the South West and Mid Wales region.

### **2.2 Joint Committee**

The Joint Committee is made up of the Leader of each local authority, supported by the Chief Executive of each local authority, and is advised by the Executive Board, the Lead Director of Education, the ERW Chief Officers, Statutory Officers, external school improvement experts and Headteacher representatives. Welsh Government, Estyn and the WLGA attend the Joint Committee meetings. Internal Audit and Audit Wales report independently to the Joint Committee. The Joint Committee was chaired by Councillor Emlyn Dole, Leader of Carmarthenshire County Council during 2021-22.

### **2.3 Executive Board**

The Executive Board is made up of the Directors of Education of each of the local authorities, the ERW Chief Officers, Headteacher representatives, the Section 151 Officer/Deputy Section 151 Officer (where applicable) and external members (where applicable).

## 2.4 Management Structure

- **Lead Chief Executive** – Phil Roberts (Chief Executive, Swansea)
- **Lead Education Director** – Gareth Morgans (Director of Education, Carmarthenshire)
- **Interim Chief Officer** – Ian Altman
- **Interim Chief Officer** – Greg Morgan
- **S151 Officer** – Jon Haswell (Director of Resources, Pembrokeshire)
- **Monitoring Officer** – Tracey Meredith (Chief Legal Officer and Monitoring Officer, Swansea)

## 2.5 ERW's Values

ERW is one of four regional education consortia in Wales. Its purpose is to deliver a single consistent and integrated professional school improvement service across the allied local authorities.

The national model for school improvement in Wales is based on a vision of regional school improvement consortia working on behalf of local authorities to lead and coordinate the improvement in the performance of schools and education of young people.

To achieve the ERW vision, ERW have defined values to guide all that ERW does. These include effectiveness; commitment; integrity; innovation and collaboration.

ERW utilises a wide range of flexible approaches so that bespoke solutions can be used to support schools at their point of need. ERW support teachers through the provision and brokering of professional learning programmes to support individuals in their leadership journey whilst building expertise and capacity where and when it is needed in schools across the region

## 2.6 ERW's Aims

ERW has five aims:

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

## 2.7 Funding Sources

ERW receives its funding from two main sources – Annual contribution from each of the Local Authorities and grant from Welsh Government.

During 2021-22 grant funding received from Welsh Government was paid direct to the Local Authorities, with ERW's element of the funding being passported to ERW from the Local Authorities (in previous years, grant funding from Welsh Government has been paid direct to ERW).

## **3.0 Governance**

### **3.1 Code of Corporate Governance**

The ERW Code of Corporate Governance was approved by the Joint Committee on 16 July 2018.

### **3.2 Annual Governance Statement**

The ERW Annual Governance Statement provides an overview of the effectiveness of ERW's governance arrangements during 2021-22. It highlights significant governance issues and priorities for improvement which will be addressed by Partneriaeth in 2022-23.

The Annual Governance Statement for 2021-22 will be considered and approved by the ERW Joint Committee alongside the ERW Statement of Accounts for 2021-22, following which the significant governance issues and priorities for improvement will be reported to Partneriaeth.

## **4.0 Operational Model**

### **4.1 ERW Business Plan**

The ERW Business Plan 2021-22 was approved by the Joint Committee on 13 March 2021. This business plan was originally for April to August 2021 when ERW was meant to cease operations, but continued until the end of the 2021-22 financial year. The Business Plan identified five improvement priorities that match the enabling objectives of the National Mission, whilst reflecting local and regional priorities:

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

The ERW Business Plan 2021-22 was developed by using the outcomes of self-evaluation, research findings, cross-consortia planning as well as identification of school, local authority, regional and national priorities. A wide range of stakeholders contributed and there was extensive consultation on the development of the plan prior to publication.

- Headteachers;
- Directors of Education
- ERW Joint Committee and Executive Board
- ERW Central Team
- Headteacher Reference Board
- ERW Strategy groups

### **4.2 Performance Management Framework**

As the employing Local Authority for ERW, Pembrokeshire County Council's Performance Management Framework, dated July 2019, is used. It enables all staff working for ERW to identify how their work contributes to achieving the organisations overall objectives. This is achieved by compiling and publishing a hierarchy of aligned plans. The highest level plans describe ERW's objectives, set the strategic direction and take a long term view. By contrast, individual officer performance review plans are reviewed annually, and in many cases, twice a year. The link between these plans is often referred to as the "Golden Thread".

## 5.0 Risks and Opportunities

### 5.1 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 ERW corporate risk register identifies the risks (threats) to the achievement of the ERW aims. As a live document, it is revised and updated on an ongoing basis and was last formally reviewed by the Joint Committee on 8 July 2021, with the residual risk scores shown below:

Risk	Residual Risk Scores
ERW Governance	12
Cuts to School Budgets	12
Pembrokeshire Estyn Monitoring results in follow-up	8
Powys Estyn Monitoring results in continued follow-up	8
Failure to comply with Estyn Action Plan	8
Funding current or future costs resulting from partners leaving the ERW consortium	8
LA failure to comply with Grant Regulations	6
Data Protection	6
ERW found not to provide Value for Money	6
Failure to respond to qualifications 2021	6
Timeliness of Welsh Government Funding	6
Delivery of National Mission	6
Transparency of Governance	6
Impact of Covid-19	6
Carmarthenshire Estyn Monitoring results in follow-up	4
Ceredigion Estyn Monitoring results in follow-up	4
Swansea Estyn Monitoring results in follow-up	4
Cost Savings required by Welsh Government	4
Lack of clarity on functions	4
Lack of communication	4
Failure to Deliver Business Plan	4

### 5.2 Key Financial Risks for 2022-23 and Beyond

ERW ceased to exist on 31 March 2022, therefore no budget was set for ERW for 2022-23.

- There have been 2 redundancies as a result of the cessation of ERW, the costs of these redundancies were met from the existing ERW budgets.
- The ERW reserve and EWC balances remaining at the cessation of ERW will have to be distributed to the remaining Local Authorities in accordance with the ERW Joint Agreement.
- Welsh Government have confirmed that there will be no clawback of grant funding received during 2020-21 and 2021-22 which had not been spent by 31 March 2022. This funding will be distributed to the remaining Local Authorities during 2022-23. There may be other unforeseen costs involved in the cessation of ERW which will not be known until the Statement of Accounts for 2021-22 have been audited by Audit Wales and approved by the ERW Joint Committee.
- It is anticipated that a working balance and reserves for Partneriaeth will be created following the cessation of ERW, utilising the ERW and EWC reserve balances.
- Continued reliance on grant funding is a risk for ERW and will remain a risk for Partneriaeth.

## **6.0 Strategy and Resource Allocation**

### **6.1 Grant Allocations**

The RCSIG was allocated by the Local Authorities in accordance with the National Ministerial Priorities. RCSIG grant funding passported from the Local Authorities was allocated according to the ERW Business Plan 2021-22 priorities in line with the ERW Strategy Groups:

- Curriculum
- Professional Learning
- Leadership
- Welsh
- Digital
- Equity & Wellbeing

The terms and conditions of the grant are carefully adhered to, and whenever possible clear links are made between grants to enable greater value for money when planning expenditure. An update is included in the Finance Report provided to the Joint Committee at each meeting.

### **6.2 Welsh Government Grant Funding**

The various Welsh Government grants received in 2021-22 are outlined in Note 13.1.

## **7.0 Performance**

### **7.1 Performance Reporting**

Regional performance in terms of examination results and progress implementing the Business Plan is reported to the Joint Committee.

### **7.2 Financial Reporting**

The Joint Committee are generally provided with a Finance Update Report from the S151 Officer at each of their meetings.

### **7.3 Summarised Financial Performance**

The summarised financial performance provides a high level overview of the financial position of ERW as at 31 March 2022. Set out in the following paragraphs is the final outturn position for 2021-22 compared to the Amended Full Year estimate agreed by the ERW Joint Committee on 29 April 2022.

## 7.4 Revenue Expenditure

Central Team	Amended Full Year Estimate 2021-22 £000	Actual 2021/22**			Actual Expenditure 2020-21 * £000
		Central Team	Grants	Total	
<b>Gross Expenditure</b>					
Employees*	2,791	143	2,384	<b>2,527</b>	3,109
Premises	51	66	12	<b>78</b>	63
Transport	7	0	1	<b>1</b>	5
Translation	34	4	16	<b>20</b>	34
Supplies & Services	14	12	2	<b>14</b>	32
Consultancy	27	48	424	<b>472</b>	439
Support Services	149	160	0	<b>160</b>	139
Payments to Schools via LA's for specific work*	1,314	0	1,321	<b>1,321</b>	2,311
Facilitation	0	0	0	<b>0</b>	16
Grants Passported to LA's	0	0	0	<b>0</b>	50,323
<b>Total Gross Expenditure</b>	<b>4,387</b>	<b>433</b>	<b>4,160</b>	<b>4,593</b>	<b>56,471</b>
<b>Income</b>					
Contributions from Member Authorities	(389)	(388)	0	<b>(388)</b>	(480)
Welsh Government Grant*	(3,998)	0	(4,067)	<b>(4,067)</b>	(55,751)
Other Grant Income	0	0	(1,049)	<b>(1,049)</b>	(302)
Miscellaneous Income	0	0	(2)	<b>(2)</b>	(208)
<b>Total Income</b>	<b>(4,387)</b>	<b>(388)</b>	<b>(5,118)</b>	<b>(5,506)</b>	<b>(56,741)</b>
<b>Net Surplus</b>	0	45	(958)	<b>(913)</b>	(270)
Appropriation to/(from) Reserve	0	(45)	958	<b>913</b>	270

\*Prior Year Adjustment relating to £27k over accrual of expenditure in 2020-21

\*\*It should be noted that the actual income and expenditure shown has been updated to reflect the final accounting entries and is therefore different to that reported to ERW [Joint Committee](#) on 29 April 2022.

### Commentary on the 2021-22 Revenue Performance

The ERW Consortium total gross expenditure for 2021-22 totalled £4.6m. This year was unique in that the Welsh Government grant funding went direct to Local Authorities and ERW were passported income by the remaining Local Authorities (in previous years Welsh Government grant funding was paid direct to ERW).

The ERW Joint Committee and Executive Board received two budget monitoring reports and financial updates on 8 July 2021 and 29 April 2022 and were updated on additional grant resources as they became available. All Joint Committee reports can be found on the Carmarthenshire website at <https://democracy.carmarthenshire.gov.wales/mgCommitteeDetails.aspx?ID=376>

Local Authorities were invoiced for their contributions for 2021-22 in the sum of £388k. Unlike other consortia, ERW does not directly employ School Improvement Challenge Advisors. They are employed by each Local Authority and work collaboratively across the region as a whole as and when necessary to deliver an effective service. ERW therefore only directly employs a small administrative Central Team which supports the Chief Officers.



Contributions towards the costs of the Central Team were split between the four Local Authorities on the basis of pupil numbers for PLASC 20. The allocation from Powys County Council was on the basis of 5/12 until August 2021.

Local Authority	% of Pupils in Region	Contribution
Powys	8.78%	£34,139
Pembrokeshire	20.55%	£79,898
Carmarthenshire	31.89%	£123,998
Swansea	38.78%	£150,785
<b>Total</b>	<b>100%</b>	<b>£388,820</b>

It is anticipated that these percentages will be utilised for the apportionment of any ERW and EWC reserve balances to the four remaining Local Authorities.

## 7.5 Future Outlook - Partneriaeth

### 7.5.1 Funding Position

ERW ceased to exist on 31 March 2022. Welsh Government have confirmed that Partneriaeth will replace ERW and that any funding for 2022-23 will be transferred to this new entity from 1 April 2022.

### 7.5.2 Assets and Liabilities

Partneriaeth will take on any continuing ERW assets or running costs, with the ERW pension liability transferring to Pembrokeshire County Council as the employing Local Authority.

Total ERW debtors are valued at £4.0m, for grant funding due from Local Authorities and payment of secondment invoices. No issues have been identified in relation to the impairment of any other current assets.

No issues have been identified regarding the settlement of current liabilities. It is not anticipated that there are any unbudgeted commitments or liabilities arising from 2021-22 that ERW cannot meet from its reserves.

### 7.5.3 Pensions Liability

ERW participated in two pension schemes - the Dyfed Pension Fund and the Teachers' Pension Fund.

**Dyfed Superannuation Scheme**, which is administered by Carmarthenshire County Council, is a funded defined scheme to which both employees and the ERW Joint Committee as employers pay contributions. The scheme operates under the legislation appertaining to Local Government Pensions.

A composite employer's contribution rate used in 2021-22 was calculated by the Fund's actuary based on the valuation as at 31 March 2019 for all employees of ERW who are members of the scheme.

The Fund was valued as at 31 March 2019. The results of this valuation are reflected in the 2021-22 accounts.

The Dyfed Fund has seen an overall increase in its net deficit. A pension liability of £234m as recorded at 31 March 2022 (compared to £265m at 31 March 2021) for Pembrokeshire County Council. The share of the pension liability relating to ERW has increased to £0.641m at 31 March 2022 (compared to £0.613m at 31 March 2021), with the remainder relating to Pembrokeshire County Council. It is not anticipated that there is any cause for concern at this stage, as the actuarial assumptions used to calculate the balance sheet position are complex, meaning that the actual payments could differ to this. The position will be recovered in the longer term with the Fund able to meet its commitments

#### Implications and Risks

Auto-enrolment of staff in the Scheme was introduced during 2017.

The new all Wales Pensions Investment Pool was created as a result of a National UK agreement with the Treasury Department to increase the size of the investment funds and reduce administration costs. The all Wales fund is administered by Carmarthenshire County Council and took effect from April 2018. The new fund will be responsible for investing the funds of the current 8 Local Government pension funds. Each existing pension fund within the all Wales pooled investment fund will continue to be able to set its own investment criteria and strategies.

The major risks facing the ERW Joint Committee relate to:

- The overall number of contributors to the fund relative to the number of pensioners falling significantly resulting in higher employer contribution rates.
- Any consequential increase in employer contribution rates arising from the ongoing reforms outlined above or poor economic performance of the Dyfed Fund investments.

Given the small number of employees employed by ERW its exposure to these risks is small.

Any ongoing pension liability will remain with Pembrokeshire County Council following the cessation of ERW, no pension adjustments will therefore be shown within the Partneriaeth Statement of Accounts.

### **Teachers Pension Scheme**

The scheme is administered by the Department for Education in England and Wales. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the ERW Joint Committee's Balance Sheet.

Pembrokeshire County Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers scheme.

### **Implications and Risks**

The Government introduced reforms to Teachers pensions from April 2015. Future pensions will be based around career average pension as opposed to final salary pensions.

The major risk facing the ERW Joint Committee relates to the consequential increase in employer contribution rates arising from the falling contributor to pensioner ratios and from the reforms outlined above.

Any ongoing pension liability will remain with Pembrokeshire County Council following the cessation of ERW, no pension adjustments will therefore be shown within the Partneriaeth Statement of Accounts.

## **7.5.4 Usable Reserves and Balances**

### **General Working Reserve**

This reserve constitutes ERW's working balance and is maintained to meet day to day operational eventualities. It was created in 2016-17 in order to provide an adequate level of funding to deal with any unexpected expenditure. This reserve had a balance of £100k at the end of 2021-22.

### **Earmarked Reserves**

These constitute balances held at the year-end for specific purposes and will be used in accordance with those specific requirements. These reserves had a balance of £577k at the end of 2021-22.

### **Education Workforce Council (EWC) Unused Funding**

The EWC provided ERW with grant funding on an annual basis to fund training. When the cost of providing the training has been less than the annual grant, the EWC have advised that they do not require the grant to be returned and a balance has accrued. There is a balance of £958k at the end of 2021-22 which has been appropriated to reserve.

### **Transfer of Reserves and EWC Balance upon Cessation of ERW**

It is anticipated that a working balance and reserves for Partneriaeth will be created following the cessation of ERW, utilising the ERW reserve and EWC balance. Any remaining reserves or balances will be distributed to the remaining Local Authorities, in accordance with the ERW Joint Agreement.

## **7.5.5 Payments to Auditors**

It is estimated that £16k will be paid to Audit Wales for its work auditing the 2021-22 financial statements. All grant certification will be subject to Internal Audit as required by Welsh Government.

## **8.0 Basis of Preparation and Presentation**

Any matters which may have affected ERW's ability to deliver its Business Plan have been identified in the body of this Narrative Report.

**If you need any more information about the ERW Statement of Accounts, please contact the Director of Resources, Pembrokeshire County Council, County Hall, Haverfordwest, SA61 1TP. The ERW Statement of Accounts are also available on ERW's internet site.**

**Jonathan Haswell FCCA  
ERW S151 Officer  
17 May 2023**

## **9.0 The Independent Auditor's Report of the Auditor General for Wales to the Members of the Education Through Regional Working Joint Committee**

### **Report on the audit of the financial statements**

#### **Opinion on the financial statements**

I have audited the financial statements of the Education through Regional Working Joint Committee (ERW) for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

The Education through Regional Working Joint Committee's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Education through Regional Working Joint Committee as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

#### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Education through Regional Working Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Authority's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter**

We draw attention to Notes 10.3, 14.2 and 16 of the financial statements, which describe the current status and expected timescale for the cessation of ERW. Our opinion is not modified in respect of this matter.

#### **Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on ERW's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 15, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

My procedures included the following:

- enquiring of management, ERW's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Education through Regional Working Joint Committee's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals.
- obtaining an understanding of the Education through Regional Working Joint Committee's framework of

authority, as well as other legal and regulatory frameworks that the Education through Regional Working Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Education through Regional Working Joint Committee.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Education through Regional Working Joint Committee about actual and potential litigation and claims;
- reading minutes of meetings of the Joint Committee as those charged with governance, and its committees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Education through Regional Working Joint Committee's controls, and the nature, timing and extent of the audit procedures performed. A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of my auditor's report.

#### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of the Education through Regional Working Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

**Adrian Crompton**  
**For and on behalf of the Auditor General for Wales**  
**(Date to be determined)**

1 Capital Quarter  
Cardiff  
CF10 4BZ

## **STATEMENT OF ACCOUNTS**

### **ERW JOINT COMMITTEE**

#### **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT**

##### **The ERW Joint Committee's Responsibilities**

The ERW Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this ERW Joint Committee, that officer is the Director of Resources of Pembrokeshire County Council.
- To manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

##### **The Director of Resources Responsibilities**

The Director of Resources is responsible for the preparation of the Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the Code.

The Director of Resources has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

#### **CERTIFICATE OF DIRECTOR OF RESOURCES**

The Statement of Accounts of the ERW Joint Committee for the year ended 31 March 2022 is contained on Sections 10 to 15, and is produced in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014, (as amended). The Regulations prescribe the contents of the Statement of Accounts and it is upon the contents only that the Audit opinion is expressed.

I certify the accounts present a true and fair view of the financial position of the ERW Joint Committee as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022 and append my signature to the Statement in accordance with Regulation 10(1).



**J HASWELL FCCA**

**ERW S151 Officer**

**Date: 17 May 2023**

## **REPORTING AND APPROVAL**

These accounts, initially published on 12 December 2022 will be reported to the ERW Joint Committee for approval following the conclusion of the Annual Audit on 3 February 2023. The audit certificate is shown on pages 13-15.

### **Chair of ERW Joint Committee**

**Offices Address:** Y Llwyfan,  
College Road,  
Carmarthen,  
SA31 3EQ

**Date:** 17 May 2023



## **10 Core Financial Statements – Underlying Principles**

The application of accounting standards, concepts, critical judgements and inherent risks, and accounting policies used in preparing the core financial statements are set out in the following pages.

### **10.1 Financial Reporting Standards**

The International Financial Reporting and Other Standards that have been issued have been applied as required by the Code of Practice on Local Authority Accounting.

The Code of Practice requires that the Joint Committee discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. There are no key changes to accounting standards issued but not yet adopted that will impact on the Joint Committee.

The Statement of Accounts set out in sections 11 to 15 have been prepared in compliance with the 2021-22 Code of Practice on Local Authority Accounting.

### **10.2 Accounting Concepts**

The following pervasive accounting concepts have been used in the preparation of the Core Accounting Statements:

- Accruals basis
- Going Concern

The qualitative characteristics of financial information continue to be employed:

- Relevance
- Comparability
- Verifiability
- Timeliness
- Understandability
- Materiality
- Faithful Representation
- Completeness, Neutrality, Free from Error
- Primacy of legislative requirements

### 10.3 Critical judgements in Applying Accounting Policies and Estimating Risk

In applying the accounting policies set below in section 10.4 the ERW Joint Committee has made judgements about the complex transactions for 2021-22, with the Partneriaeth Joint Committee making judgements about the complex transactions and those involving uncertainty in future years.

It was anticipated that ERW would cease on 31 August 2021 and a new partnership, 'Partneriaeth', of three local authorities - Carmarthenshire County Council, Pembrokeshire County Council and the City and County of Swansea Council would commence from 1 September 2021 with a new legal agreement. However, due to delays in determining the staffing structure for the new Partneriaeth and the timescales for the related consultation and HR processes to be completed, ERW continued to operate, ceasing at the end of 2021-22. Whilst Powys County Council remained part of ERW until 31 August 2021, they have received no services from 1 September 2021. The new 'Partneriaeth' commenced on 1 April 2022, with a new legal agreement in place for the three partner local authorities. It is understood that the other local authorities will be making their own arrangements for the future.

Pembrokeshire County Council is the employing body for the ERW staff and maintains the ERW finances/accounts, providing financial services, internal audit, ICT, HR and procurement support to ERW via service level agreements. Pembrokeshire County Council will retain these roles with Partneriaeth.

In certain instances it has been necessary to estimate the changes made in the accounts using historical experience, current trends etc. Actual results may be different from the assumptions made and consequently may affect the charges made in future years' accounts. Where there are changes between estimated and actual amounts these changes will be reflected in the Partneriaeth accounts, funded from any reserve balance transferred; these are not anticipated to be material.

The main risk areas are set out in the following table:

<b>Issues appertaining to items in the current set of accounts:</b>		
<b>Item</b>	<b>Risk</b>	<b>Potential Affect</b>
Contractual Obligations	Incorrect quantifications and legal challenge	Additional charge to the Joint Committee and its Partner Authorities
Grant Funding	Claimed ineligible expenditure	Loss of grant with expenditure to be funded from core or grant clawback
Pension Liability	Actuarial assumptions incorrect	Increased Employer Contributions at future date for Partneriaeth
Confirmation of regional position as delivery mechanism for School improvement	Funding from WG and subsequent expectations	Inability to respond to increasing expectations of regional working.
Delay in receiving grant funding	Committed expenditure not being eligible. Poor planning.	Loss of grant with expenditure to be funded from core or grant clawback. Adverse cashflow
Governance – Future arrangements	Decisions not made in timely manner	Delay in improvements, grant clawback or loss of grant funding
Core LA funding not being received	Break-up of the Consortium	Loss of Welsh Government grant Cessation of regional working
Cessation of ERW	Additional unanticipated expenditure resulting from the cessation of ERW	Additional charge to the Joint Committee and its Partner Authorities

<b>Issues potentially impacting the accounts in the future – these issues will transfer to the new Partneriaeth</b>		
<b>Item</b>	<b>Risk</b>	<b>Potential Affect</b>
Changes in Political Priorities	Reduced funding	Reduction in service, or cessation of regional working
Educational Outcomes	Pupils attainment does not improve at the necessary pace	Loss of future grant funding/ Local Authorities having to change support levels to Partneriaeth
Grant Funding	Claimed ineligible expenditure  RCSIG and PDG paid direct to Councils and not paid over to Partneriaeth.	Loss of grant with expenditure to be funded from core or grant clawback  Reduction in service provision
Demographic Change	Assumptions Incorrect	Increased service & contractual costs
Grant Funding	Loss of grant from Welsh Government	Reduction in service provision
Transformation/ Alternative Service Delivery	Changed ways of working do not deliver assumed financial savings	Budget over/under spend Separate accounting arrangements
Welsh Language Standard	Assumption incorrect	Increased service & contractual costs
Wellbeing of Future Generations Act	Act not considered in decision making	Cost of corrective action
Grant funding withheld by Welsh Government	Partneriaeth not adhering to regional nature of grant conditions	Schools do not access the support required.
Partneriaeth – Future provision of education through regional working.	Regional service does not continue	Insufficient support provided to schools to implement new curriculum and action the Estyn recommendations.

## **10.4 Accounting Policies**

The accounting policies used to prepare the Core Accounting Statements and the following Supporting Notes and Supplementary Financial Statements have been reviewed using the 2021-22 Code of Practice on Local Authority Accounting.

### **10.4.1 General Principles**

The objective of the accounting policies adopted shall be to ensure that the Statement of Accounts provides a “true and fair” view of the financial position of the ERW Joint Committee.

The accounts shall be prepared in accordance with the latest Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the Code) and adhere to the relevant Financial Reporting Standards and Practices, unless otherwise stated.

Figures shall be included in the Financial Statements using the cost convention specified by the appropriate accounting standard.

The accounting policies shall be revised as required from those of the previous year to reflect changes in reporting requirement with any such changes being disclosed.

### **10.4.2 Exceptional, Extraordinary Items, Prior Year Adjustments & Events After the Reporting Period**

Extraordinary items - No items of income or expense will be treated as extraordinary. All items will therefore be accommodated within one of the specified lines of the Surplus or Deficit on the Provision of Services or the Other Comprehensive Income and Expenditure.

Exceptional items – When items of income and expense are material, their nature and amount will be disclosed separately, either on the face of the Comprehensive Income and Expenditure Account or in the notes to the accounts.

Unless otherwise sanctioned by the Code, material prior period adjustments shall result in a restatement of prior year figures and disclosure of the effect.

Material events occurring after the end of the reporting period shall, if applicable at the Balance Sheet date, amend the Statement of Accounts. Other events will be disclosed with an estimate of the likely financial effect. If amended after being issued prior to the conclusion of audit the responsible financial officer shall re-certify the revised Statement of Accounts as replacing that previously issued.

### **10.4.3 Leases and Lease-Type Arrangements**

#### Recognition and Classification

Operating leases shall be defined as all other lease type arrangements not deemed to be finance leases. In considering property leases, land and buildings shall be considered separately for classification purposes, with land with an infinite life generally being recognised as an operating lease.

Operating Leases - the whole of the rental payable under operating leases shall be charged to the revenue account on a straight line basis over the term of the lease.

### **10.4.4 ERW Joint Committee Reserves (Working Balances)**

#### Classification

Reserves shall be classified as usable, being available to support future expenditure or unusable being those required for financial accounting purposes.

#### Usable Reserves

The ERW Joint Committee shall govern the management and use of all reserves.

The expenditure financed from reserves shall be shown, when it is incurred, in the appropriate service section of the Comprehensive Income and Expenditure Statement.

The following circumstances shall allow amounts to be reserved from revenue:

- i. Material commitments exist for goods and services not received or paid for by 31 March
- ii. Facilitation of rolling over of funding to future years to ensure the cost effective use of resources and allow for variation in service demand from year to year
- iii. To set aside resources for future developments or contingencies

#### Unusable Reserves

The following financial reserves shall be maintained:

- i. Pension Reserve – to reflect the position of the Scheme's Fund.

#### Reporting

Appropriations to and from reserves shall be reported in the Movement in Reserves Statement.

### **10.4.5 Income & Expenditure**

#### Employee Costs & Benefits

Salaries and wages shall be charged against the periods to which they relate and if necessary estimated accruals made using previous pay periods as a basis. An adjustment shall be made in the Comprehensive Income & Expenditure Account to take account of accrued leave entitlement.

Pension costs – see policy 10.4.7 below.

#### Supplies and Services Etc

The ERW Joint Committee operates a system of accruals and converted payments. Creditors will be accrued by the end of a predetermined period of the following year and by the inclusion of estimates for significant items remaining outstanding at this time based on quotations or past costs. An exception to this principle relates to electricity and similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy shall be consistently applied each year and therefore does not have a material effect on any year's accounts.

### Support Services

All support services provided within and to the ERW Joint Committee will be charged as appropriate through Grant, within the scope of the Terms and Conditions, and Local Authority contributions. Support services are provided by an administration team within ERW and from Local Authorities through Service Level Agreements (SLAs).

### Income

All income due to the ERW Joint Committee shall be accounted for at the due date and recognised at fair value.

## **10.4.6 Government Grants and Other Contributions**

### General

Government grants and other contributions shall be accounted for on an accruals basis and when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

### Revenue Grants and Contributions

Where a revenue grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant or contribution shall be recognised as a receipt in advance. When the grant conditions are met it shall be recognised in Comprehensive Income and Expenditure Statement as income and be matched in the service revenue accounts with the expenditure to which it relates.

### Repayment

In the event of repayment this shall first be applied to any receipt or contribution received in advance. To the extent that the repayment exceeds any such receipt in advance, or where no receipt in advance exists, the repayment shall be recognised within the Comprehensive Income and Expenditure Statement as an expense.

## **10.4.7 Employee Costs & Benefits**

### Benefits during Employment

Normal remuneration costs shall be charged as an expense in the period to which they relate.

A year end accrual shall be made in the Comprehensive Income and Expenditure Statement of any material costs arising from holiday entitlement not taken. However, not being a charge for taxation purposes shall be reversed out in the Movement in Reserves Statement.

### Termination Benefits

Termination benefits shall be charged in the Comprehensive Income and Expenditure Statement when the ERW Joint Committee is demonstrably committed to the termination of employment.

### Pension Costs

The pension contributions paid by the ERW Joint Committee shall be charged on an accruals basis to the appropriate service revenue account and, together with the contributions made by employees, shall be paid over to the respective fund.

Dyfed Pension Fund – The accounting policies applying to the Fund shall be determined by the administering Authority, Carmarthenshire County Council, who keep the accounts of the Fund and arrange for actuarial information to be provided to participating Bodies.

Pembrokeshire County Council, as an employing Authority for the ERW Joint Committee shall include the current service costs of pensions as calculated by the Fund's actuary in the cost of services in accordance with the requirements of IAS19 as this is accounted for as a defined benefit scheme.

These charges shall be reversed out in the Movement in Reserves Statement and the actual contributions paid to the Fund included to ensure that the correct cost is charged to the ERW Joint Committee.

Assets and liabilities pertaining to the ERW Joint Committee shall be disclosed on the Balance Sheet.

Teachers Pension Scheme - In the case of teachers, pensions are "unfunded" and are met from annual contributions, therefore no liability for future benefits shall be recognised in the Balance Sheet. The scheme is accounted for as a defined contribution scheme and the contributions payable are charged to the Consolidated Income and Expenditure Statement.

#### **10.4.8 Debtors, Bad Debt Impairment & Creditors**

General Debtors shall be recognised in the Balance Sheet and measured at fair value of the amount receivable when revenue has been recognised. In the majority of cases fair value will equate to the cash value but in the case of long term debtors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

Where revenue has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

General Creditors shall be recognised in the Balance Sheet and measured at fair value of the amount payable when goods have been delivered or services rendered. In the majority of cases fair value will equate to the cash value but in the case of long term creditors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

#### **10.4.9 Cash and Cash Equivalents**

Represented by funds that are held to meet short-term cash commitments, rather than invested for other purposes, and that are readily convertible to known amounts of cash. The amount of cash and cash equivalents so defined shall be determined by reference to the daily cash flow forecasts.

#### **10.4.10 VAT**

Transactions shall be shown net of VAT to the extent that it is recoverable/payable.

#### **10.4.11 Related Parties**

The following disclosures shall be made in respect of material transactions with related parties not disclosed elsewhere in the Statement of Accounts:

- i. Nature of the relationship and influence exerted either by or on the ERW Joint Committee
- ii. The aggregate of transactions in the year separately showing payable and receivable amounts
- iii. Outstanding balances as at 31 March.

#### **10.4.12 Provisions**

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the ERW Joint Committee becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the ERW Joint Committee settles the obligation.

#### **10.4.13 Contingent Liabilities and Assets**

##### **Contingent Liabilities**

A contingent liability arises where an event has taken place that gives ERW a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of ERW. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

### **Contingent Assets**

A contingent asset arises where an event has taken place that gives ERW a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of ERW.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## **11.0 Core Financial Statements – Components and Detail**

The core financial statements, prepared using International Financial Reporting Standards, (IFRS) comprise of:

- The Comprehensive Income and Expenditure Statement - showing the accounting cost in the year of providing services measured on an IFRS basis as opposed to the cost actually funded from taxation. The reconciliation to the taxation position, as represented by the actual funds available to the ERW Joint Committee, is shown in the Expenditure and Funding Analysis (note 11.1)
- The Movement in Reserves Statement – showing the movement on the different reserves held by the ERW Joint Committee analysed between usable reserves and unusable reserves held for financial accounting purposes.
- The Balance Sheet - which sets out the financial position on 31 March in terms of the value of assets and liabilities recognised by the ERW Joint Committee and the reserves held by the ERW Joint Committee
- The Cash Flow Statement - which summarises the inflows and outflows of cash and cash equivalents with third parties arising from revenue and capital transactions.

### **Supporting Notes and Supplementary Financial Statements**

These comprise of:

- The Expenditure and Funding Analysis.
- Notes to the core financial statements.





## 11.2 Comprehensive Income and Expenditure Statement

This statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practice.

The Comprehensive Income and Expenditure Statement can be summarised as follows:

- **Surplus/Deficit on Continuing Operations** – analyses by subjective groupings, the day to day income and expenditure on such items as employee remuneration, running costs of services, service specific grants, fees and charges.

In accordance with the Code requirements, the operating income and expenditure of services include the following “notional” costs that are “reversed out” in the Movement in Reserves Statement:

- Current service pension costs.
- **Other Comprehensive Income & Expenditure** – shows the surplus or deficit arising from the re-measurement of pension assets and liabilities.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	Note	2020-21*			2021-22		
	NO.	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
<b>Expenditure</b>							
Employees*		3,109	139	3,248	2,549	0	2,549
Premises		63	0	63	78	0	78
Transport / Mileage		5	0	5	1	0	1
Translation		34	0	34	20	0	20
Supplies & Services		32	0	32	14	0	14
Consultancy		439	0	439	472	0	472
Support Services		139	0	139	160	0	160
Payments to Schools via LA's for ERW defined projects*		2,311	0	2,311	1,321	0	1,321
Training / Conferences		16	0	16	0	0	0
Bad debt provision		0	0	0	0	0	0
<b>Total Expenditure</b>		<b>6,148</b>	<b>139</b>	<b>6,287</b>	<b>4,615</b>	<b>0</b>	<b>4,615</b>
<b>Income</b>							
Contributions from Member Authorities		0	(480)	(480)	0	(388)	(388)
Welsh Government Grant*			(5,429)	(5,429)	0	(4,067)	(4,067)
Other Grant Income		0	(302)	(302)	0	(1,049)	(1,049)
Miscellaneous Income		0	(207)	(207)	0	(2)	(2)
<b>Total Income</b>		<b>0</b>	<b>(6,418)</b>	<b>(6,418)</b>	<b>0</b>	<b>(5,506)</b>	<b>(5,506)</b>
<b>WG Grant Passported to Member Authorities</b>	<b>13.1</b>						
Carmarthenshire		12,712	(12,712)	0	0	0	0
Ceredigion		4,022	(4,022)	0	0	0	0
Neath Port-Talbot		0	0	0	0	0	0
Pembrokeshire		7,955	(7,955)	0	0	0	0
Powys		7,262	(7,262)	0	0	0	0
City and County of Swansea		18,372	(18,372)	0	0	0	0
		<b>50,323</b>	<b>(50,323)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(Surplus) / Deficit on Continuing Operations</b>		<b>56,471</b>	<b>(56,602)</b>	<b>(131)</b>	<b>4,615</b>	<b>(5,506)</b>	<b>(891)</b>
<b>Financing &amp; Investment Income and Expenditure</b>							
Net Pensions Interest	<b>13.2</b>			67			6
<b>(Surplus) or Deficit on Provision of Services</b>				<b>(64)</b>			<b>(885)</b>
<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>				<b>(64)</b>			<b>(885)</b>

\*Prior Year Adjustment relating to £27k over accrual of expenditure in 2020-21

### 11.3 Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the ERW Joint Committee, analysed between usable (those that can be applied to fund expenditure) and other unusable reserves. The unusable reserves include reserves that hold unrealised gains and losses that are only realised when assets are sold and reserves that hold accounting differences needed to reconcile the differences between reporting on the IFRS accounting basis and the statutory funding basis.

The (Surplus)/Deficit on the provision of services reflects the economic cost of providing the ERW Joint Committee's services, more details of which are provided in the Comprehensive Income and Expenditure Statement on the following page.

Actuals 2021-22	ERW Usable Earmarked Reserves £000	ERW General Working Reserve £000	ERW Unusable Reserves £000	Total ERW Reserves £000
<b>Balance 1st April 2021</b>	<b>(622)</b>	<b>(100)</b>	<b>613</b>	<b>(109)</b>
(Surplus) / Deficit On Provision of Services	(885)	0	0	<b>(885)</b>
<b>Total Comprehensive Income &amp; Expenditure (see note 11.2)</b>	<b>(885)</b>	<b>0</b>	<b>0</b>	<b>(885)</b>
Adjustments Between Accounting Basis and Funding Basis Under Regulation (See note 12.0)	(28)	0	28	<b>0</b>
<b>(Increase) / Decrease In Year</b>	<b>(913)</b>	<b>0</b>	<b>28</b>	<b>(885)</b>
<b>Balance 31st March 2022</b>	<b>(1,535)</b>	<b>(100)</b>	<b>641</b>	<b>(994)</b>

Actuals 2020-21	ERW Usable Earmarked Reserves £000	ERW General Working Reserve £000	ERW Unusable Reserves £000	Total ERW Reserves £000
<b>Balance 1st April 2020</b>	<b>(352)</b>	<b>(100)</b>	<b>407</b>	<b>(45)</b>
(Surplus) / Deficit On Provision of Services	(64)	0	0	<b>(64)</b>
<b>Total Comprehensive Income &amp; Expenditure (see note 11.2)</b>	<b>(64)</b>	<b>0</b>	<b>0</b>	<b>(64)</b>
Adjustments Between Accounting Basis and Funding Basis Under Regulation (see note 12.0)	(206)	0	206	<b>0</b>
<b>(Increase) / Decrease In Year</b>	<b>(270)</b>	<b>0</b>	<b>206</b>	<b>(64)</b>
<b>Balance 31st March 2021</b>	<b>(622)</b>	<b>(100)</b>	<b>613</b>	<b>(109)</b>

## 11.4 Balance Sheet

This Statement shows the value at the Balance Sheet date of the assets and liabilities recognised by the ERW Joint Committee. The net assets (assets less liabilities) are matched by:

- Usable reserves comprising of the General Working Reserve and Earmarked Reserves.
- Unusable reserves comprising of reserves facilitating the adjustments required between accounting basis used to prepare the Statement of Accounts and the statutory funding basis under regulation.

BALANCE SHEET AS AT 31st MARCH	Note No.	2020-21		2021-22	
		£000	£000	£000	£000
<b>CURRENT ASSETS:</b>					
Short-term Debtors and Prepayments	15.1.1	295		4,004	
Cash & Cash Equivalents	15.2	3,135		951	
<b>Total Current Assets</b>			<b>3,430</b>		<b>4,955</b>
<b>TOTAL ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Short-term Creditors	15.1.2	(2,016)		(3,320)	
Payment in Advance	15.1.2	(692)		0	
<b>Total Current Liabilities</b>			<b>(2,708)</b>		<b>(3,320)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>722</b>		<b>1,635</b>
Net Pension Fund Liability	15.4	(613)		(641)	
<b>TOTAL LONG TERM LIABILITIES</b>			<b>(613)</b>		<b>(641)</b>
<b>NET ASSETS</b>			<b>109</b>		<b>994</b>
Usable Reserves					
- Earmarked Joint Committee Reserves	14.2		(622)		(1,535)
- General Working Reserve	14.2		(100)		(100)
Unusable Reserves					
- Pensions Reserve	14.3		613		641
<b>TOTAL RESERVES</b>			<b>(109)</b>		<b>(994)</b>

## 11.5 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period, showing how the ERW Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating, investing and financing activities.

The amount of net cash flows arising from net operating activities is a key indicator of the extent to which operations are funded by way of grant income or from the recipients of services provided by the ERW Joint Committee.

All cash transactions are administered by Pembrokeshire County Council as ERW Joint Committee does not operate its own bank account.

CASH FLOW STATEMENT	2020-21		2021-22	
	£000	£000	£000	£000
<b>Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cashflow</b>				
<b>Net (Surplus)/Deficit on the provision of services</b>		(64)		(885)
<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements</b>				
Pension fund adjustments	(206)		(28)	
Movements in revenue debtors, creditors, stocks etc.	(140)	(346)	3,097	3,069
<b>Net cash Flow from Operating Activities</b>		<b>(410)</b>		<b>2,184</b>
<b>NET (INCREASE)/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>				
Cash & Cash equivalents at the beginning of reporting period	2,725		3,135	
Cash & Cash equivalents at the end of reporting period	3,135		951	
<b>(INCREASE)/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>		<b>(410)</b>		<b>2,184</b>

See note 15.1 for a breakdown of debtors and creditors and note 15.2 for cash at the end of the year.

## 12.0 Notes to the Expenditure and Funding Analysis

	2021-22		
	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
(Surplus) / Deficit on Continuing Operations	22	0	22
Other Operating Expenditure			
Financing & Investment Income & expenditure	6	0	6
Taxation and non-specific grant income			
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>28</b>	<b>0</b>	<b>28</b>

	2020-21		
	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
(Surplus) / Deficit on Continuing Operations	139	0	139
Other Operating Expenditure			
Financing & Investment Income & expenditure	67	0	67
Taxation and non-specific grant income			
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>206</b>	<b>0</b>	<b>206</b>

### 12.1 Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by ERW as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure — the net interest on the defined benefit liability is charged to the CIES.

## 13.0 Notes to the Comprehensive Income & Expenditure Statement

### 13.1 Revenue Grants

The table below sets out specific grant income from Welsh Government and Other Grant Awarding Bodies.

Revenue Grants	2020-21	Grants Allocated Direct to Authority	Grants Held Centrally*	2021-22	Grants Allocated Direct to Authority	Grants Held Centrally
	£000	£000	£000	£000	£000	£000
Pupil Development Grant	(21,274)	(20,957)	(317)	(70)	0	(70)
EWC NQT Moderation	(224)	0	(224)	(1,049)	0	(1,049)
Regional Consortia School Improvement Grant*	(34,478)	(29,366)	(5,112)	(3,932)	0	(3,932)
Siater Iaith	0	0	0	(65)	0	(65)
Others	(78)	0	(78)	0	0	0
<b>Total Revenue Grants</b>	<b>(56,054)</b>	<b>(50,323)</b>	<b>(5,731)</b>	<b>(5,116)</b>	<b>0</b>	<b>(5,116)</b>

\*Prior Year Adjustment relating to £27k over accrual of expenditure in 2020-21

The above revenue grants have been accounted as follows during the year:

Revenue Grants	2020-21	Grants Allocated Direct to Authority	Grants Held Centrally*	2021-22	Grants Allocated Direct to Authority	Grants Held Centrally
	£000	£000	£000	£000	£000	£000
Welsh Government Grants Received*	(55,752)	(50,323)	(5,429)	(3,567)	0	(3,567)
EWC	(224)	0	(224)	(1,049)	0	(1,049)
Others	(78)	0	(78)	0	0	0
<b>Grants Credited As Income in Year</b>	<b>(56,054)</b>	<b>(50,323)</b>	<b>(5,731)</b>	<b>(5,116)</b>	<b>0</b>	<b>(5,116)</b>

\*Prior Year Adjustment relating to £27k over accrual of expenditure in 2020-21

#### 13.1.1 Further analysis of the Grants held centrally:

Revenue Grants	2020-21*	Grants Held Centrally	2021-22	Grants Held Centrally
		£000		£000
<b>Payments to schools via LA's for specific work</b>				
Carmarthenshire	527		399	
Ceredigion	190		49	
Neath Port-Talbot*	86		0	
Pembrokeshire	413		236	
Powys	379		44	
City and County of Swansea	716		593	
		2,311		1,321
<b>Other expenditure</b>				
Employees*	2,432		2,384	
Grants covering central team	500		0	
Premises	0		12	
Transport / Mileage	4		1	
Translation	28		16	
Supplies & Services	444		424	
Facilitation	12		0	
		3,420		2,837
Appropriation to reserve (EWC)		0		958
<b>Total expenditure</b>		<b>5,731</b>		<b>5,116</b>

\*Prior Year Adjustment relating to £27k over accrual of expenditure in 2020-21

## 13.2 Pension Costs

The ERW Joint Committee participates in two pension schemes:

### 13.2.1 The Dyfed Superannuation Scheme, which is administered by Carmarthenshire County Council, is a funded defined benefit scheme to which both employees and the ERW Joint Committee, through Pembrokeshire County Council as employers, pay contributions. The scheme operates under the legislation appertaining to Local Government Pensions.

A composite employer's contribution rate used in 2021-22 was calculated by the Fund's actuary based on the valuation as at 31 March 2019 for all employees of the County Council who are members of the scheme.

The Fund was valued as at 31 March 2019 & the results of this valuation are reflected in the 2021-22 accounts.

The disclosures set out below are required by International Accounting Standard 19 (IAS 19), which employs slightly different assumptions than those used in the actuarial valuation, are also produced by the Fund's Actuary at each financial year end.

IAS 19 requires most assets to be valued at "realisable values" i.e.: bid values, as opposed to "fair values" (in effect, mid-market values).

The pensions fund investment assets will move in line with the value of securities quoted on world equity markets which could increase or decrease. As the Pension Fund time horizon is long term and the true value of investments is only realised when investments are sold, no adjustments are made for any changes in the fair value of investments between 31 March 2022 and the date that the accounting statements are authorised for issue.

#### Interest on Assets

This is the interest on assets held at the start of the period and cash flows occurring during the period, calculated using the discount rate at the start of the year.

The Net Interest Cost is calculated as interest on pension liabilities less the interest on assets.

#### Recognition of Actuarial Gains and Losses

All actuarial gains and losses are recognised in the year of occurrence via Other Comprehensive Income and Expenditure.

Actuarial gains and losses on liabilities due to changes in actuarial assumptions are split between the effect of changes in financial assumptions and changes in demographic assumptions.

#### Expenses

Administration expenses are recognised as a separate item within the pension cost. Investment expenses are treated as a loss on asset and so recognised via Other Comprehensive Income and Expenditure.

### 13.2.2 Teachers Pension Scheme

The scheme is administered by the Department for Education in England and Wales. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the ERW Joint Committee's Balance Sheet. Pembrokeshire County Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers scheme.

### 13.2.3 McCloud Legal Judgement – Age Discrimination in Pension Funds

No specific investigation has been undertaken in relation to increases in the average age of the scheme membership, but no reason has been given to suggest there have been any substantial changes since the 2019 actuarial valuation.

The net pension liability reported in the accounts includes a potential liability related to the McCloud judgement. In July 2020, the UK Government published proposals for consultation on a remedy to address the McCloud issue. The pension fund actuary has based the estimate on the major provisions of the remedy, however there remains some uncertainty over the final outcome.

## Revenue Transactions

Comprehensive Income And Expenditure Statement Entries included in Net Operating Expenditure	2020-21		2021-22	
	£000	£000	£000	£000
Interest on Pension Liabilities	218		22	
Interest on Plan Assets	(151)		(16)	
		67		6
Current Service Cost		319		40
		<b>386</b>		<b>46</b>
<b>Statement of Movement on the Council Fund Balance Entries</b>				
<b>Reversal IAS 19 Entries Above:</b>		(386)		(46)
<b>Actual Charges Paid in Year</b>				
Actual Amount Charged for Period	180		18	
		180		18
<b>Net Adjustment Required</b>		<b>(206)</b>		<b>(28)</b>

The pensions fund investment assets will move in line with the value of securities quoted on world equity markets which could increase or decrease. As the Pension Fund time horizon is long term and the true value of investments is only realised when investments are sold, no adjustments are made for any changes in the fair value of investments between 31 March 2022 and the date that the accounting statements are authorised for issue.

### 13.3 Exceptional Costs

There were no exceptional costs incurred in the period.

### 13.4 Remuneration Details

13.4.1 The following tables set out the disclosure of remuneration for ERW Joint Committee Senior Staff as follows:

- Managing Director and Other Senior Staff including pension contributions or equivalent payments. The total contribution rate for employer pension contributions was 17.1% for 2020-21 and 2021-22.
- Other Employees receiving remuneration of £60,000 or more (not including employer pension contributions) in bands of £5,000.

Senior Officers	Year	Gross Salary, Fees & Other Emoluments	Employer Pension Contributions to Local Government Pension Scheme	Benefits in Kind
Interim Managing Director*	2020-21	£36,382	£5,848	0
Interim Chief Officer**	2020-21	£43,348	£7,412	0
Interim Chief Officer**	2020-21	£43,348	£7,412	0
Head of Human Resources***	2020-21	£40,730	£6,965	£6,836

Interim Chief Officer**	2021-22	£75,244	£10,734	0
Interim Chief Officer**	2021-22	£75,573	£12,923	0
Head of Human Resources***	2021-22	£99,220	£16,967	£16,531

\* The Interim Managing Director was appointed for the period 1 June 2020 to 31 August 2020

\*\* Two Interim Chief Officers were appointed 1 September 2020 to 31 March 2022

\*\*\* The Head of Human Resources was seconded from Pembrokeshire County Council for the period 1 November 2020 to 31 March 2022



Other Employees Remuneration Band	Number of Other Employees	
	2020-21	2021-22
£60,000 - £64,999	1	1
£65,000 - £69,999	2	1
£70,000 - £74,999	0	3

One employee received remuneration above £60,000 but is excluded from the table above due to the fact that they are seconded and recharged to Welsh Government for the period April 2020 to March 2021. The total reimbursement from Welsh Government was £95k (via invoice to WG).

There are other senior officer roles within the ERW Joint Committee who are not employed by the Consortium and they do not receive any remuneration through the additional roles that they carry out on behalf of the region. They include:

Lead Chief Executive	Swansea
Lead Director of Education	Carmarthenshire
Director of Resources/S151 Officer	Pembrokeshire
Monitoring Officer	Swansea

Also on the Executive Board were the 4 Directors of Education from Carmarthenshire, Pembrokeshire, Powys and Swansea.

For information on the remuneration of the above individuals and seconded staff members, users should refer to the respective Local Authority Statement of Accounts.

#### 13.4.2 Termination Benefits

Redundancy & Other Termination Costs Band	2020-21				2021-22			
	No's			£000	No's			£000
	Compulsory	Other	Total		Compulsory	Other	Total	
£0 - £20,000	0	0	0	0	0	1	1	8
£20,001 - £40,000	0	0	0	0	0	1	1	23
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>31</b>

Pension Costs - Capital Settlement Band	2020-21		2021-22	
	No's	£000	No's	£000
	£0 - £20,000	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>17</b>

#### 13.5 Audit Fees

The following amounts are estimated as payable to Audit Wales for the year:

	2020-21 £000	2021-22 £000
Fees payable to Audit Wales with regard to external audit services carried out by the Appointed Auditor for the year	13	16
<b>Total</b>	<b>13</b>	<b>16</b>

#### 13.6 Related Parties

Related parties refers to bodies or individuals that have the potential to control or influence the ERW Joint Committee or to be influenced or controlled by the ERW Joint Committee thereby possibly constraining the ability of the ERW Joint Committee or the other party to operate independently.

There are other instances where Executive Board Members, lead officers and Members of the ERW Joint Committee may attend meetings of the third party bodies but do not have the direct ability to exercise control, however, the opinions they express may influence decisions and policy.

### 13.6.1 Significant Interests

Members of the ERW Joint Committee, Lead Officers and Officers of the Executive Board are required to declare potential conflicts of interest arising from employment and other arrangements. There are no conflicts of interests to report.

### 13.6.2 Material Relationships

The following material relationships have been identified where material influence exists.

#### Welsh Government

The Welsh Government has the responsibility for the statutory framework and provides the majority of the ERW Joint Committees funding, via Local Authorities for 2021-22, much of which is subject to specific terms and conditions. The bodies can, therefore, exert effective control over the operations of the ERW Joint Committee. Details of grants received are set out in note 13.1.

The following table shows the total transactions and year end balances with 6 Local Authorities:

Transactions with Local Authorities	Debtors Outstanding £000	Creditors Outstanding £000	Creditors Outstanding (Grant Balance due to LA's) £000	Total expenditure in the year £000
Carmarthenshire County Council	1,695	(205)	(511)	215
Pembrokeshire County Council	0	(226)	(329)	490
Neath Port Talbot County Council	0	0		16
Swansea County Council	1,860	(241)	(621)	467
Powys County Council	286	0	(203)	43
Ceredigion County Council	66	0		23
<b>TOTAL</b>	<b>3,907</b>	<b>(672)</b>	<b>(1,664)</b>	<b>1,254</b>

## 14.0 Notes To The Movement In Reserves

### 14.1 Adjustments between Accounting Basis & the Regulatory Funding Basis

Actuals	2020-21		2021-22	
	ERW Usable Reserves £000	ERW Unusable Reserves £000	ERW Usable Reserves £000	ERW Unusable Reserves £000
<b>Amounts included in Total Comprehensive Income and Expenditure required by regulation to be excluded to arrive at the funding position</b>				
Pension Cost Adjustment	(386)	(386)	(46)	(46)
<b>Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position</b>				
Employers Contribution to Pension Scheme	180	180	18	18
<b>Net Adjustment Required</b>	<b>(206)</b>	<b>(206)</b>	<b>(28)</b>	<b>(28)</b>

### 14.2 Usable Reserves

Usable Reserves	Balance 1st April 2021 £000	Contribution from Revenue Accounts £000	Contribution to Revenue Accounts £000	Balance 31st March 2022 £000
Earmarked Reserves	(622)	(913)	0	(1,535)
General Working Reserve	(100)	0	0	(100)
<b>Total Useable Reserves</b>	<b>(722)</b>	<b>(913)</b>	<b>0</b>	<b>(1,635)</b>

#### General Working Reserve

This reserve constitutes ERW's working balance and is maintained to meet day to day operational eventualities. It was created in 2016-17 in order to provide an adequate level of funding to deal with any unexpected expenditure.

#### Earmarked Reserves

These constitute balances held at the year-end for specific purposes and will be used in accordance with those specific requirements.

Both reserves are reviewed annually during the budget process.

#### Transfer of Reserves upon Cessation of ERW

It is anticipated that a working balance and reserves for Partneriaeth will be created following the cessation of ERW, utilising the ERW reserves and EWC balance. Any remaining reserves or balances will be distributed to the remaining Local Authorities, in accordance with the ERW Joint Agreement.

### 14.3 Unusable Reserves

The transactions in the unusable reserve accounts summarised below can be found in more detail in note 15.4.

<b>Unusable Reserves</b>	<b>Balance 1st April 2021 £000</b>	<b>Movement in Year £000</b>	<b>Balance 31st March 2022 £000</b>
Pensions Reserve	613	28	641
<b>Total Unusable Reserves</b>	<b>613</b>	<b>28</b>	<b>641</b>

<b>Unusable Reserves</b>	<b>Balance 1st April 2020 £000</b>	<b>Movement in Year £000</b>	<b>Balance 31st March 2021 £000</b>
Pensions Reserve	407	206	613
<b>Total Unusable Reserves</b>	<b>407</b>	<b>206</b>	<b>613</b>

## 15.0 Notes To The Balance Sheet

### 15.1 Debtors and Creditors

#### 15.1.1 Debtors and Prepayments

All amounts included as assets are shown at market (fair) value.

	Net 1st April 2021 £000	Gross 31st March 2022 £000	Impairment Allowance £000	Net 31st March 2022 £000
<b>Amounts falling due in one year:</b>				
Welsh Government	58	97	0	97
Local Authorities & Schools	114	3,907	0	3,907
Prepayments	22	0	0	0
Other Debtors	101	0	0	0
<b>Total Debtors</b>	<b>295</b>	<b>4,004</b>	<b>0</b>	<b>4,004</b>

	Net 1st April 2020 £000	Gross 31st March 2021 £000	Impairment Allowance £000	Net 31st March 2021 £000
<b>Amounts falling due in one year:</b>				
Welsh Government	158	58	0	58
Local Authorities & Schools	0	114	0	114
Prepayments	0	22	0	22
Other Debtors	0	101	0	101
<b>Total Debtors</b>	<b>158</b>	<b>295</b>	<b>0</b>	<b>295</b>

#### 15.1.2 Creditors

	Balance 31 March 2022			
	Short Term Creditors £000	Revenue Grants Receipts in Advance £000	Capital Grants Receipts in Advance £000	Total Creditors £000
<b>Amounts falling due in one year:</b>				
Welsh Government	(840)	0	0	(840)
Local Authorities & Schools	(2,336)	0	0	(2,336)
Other Creditors	(144)	0	0	(144)
<b>Total Creditors</b>	<b>(3,320)</b>	<b>0</b>	<b>0</b>	<b>(3,320)</b>

	Balance 31 March 2021			
	Short Term Creditors £000	Revenue Grants Receipts in Advance £000	Capital Grants Receipts in Advance £000	Total Creditors £000
<b>Amounts falling due in one year:</b>				
Welsh Government	(1,472)	(42)	0	(1,514)
Local Authorities & Schools	(362)	0	0	(362)
Other Creditors	(182)	(650)	0	(832)
<b>Total Creditors</b>	<b>(2,016)</b>	<b>(692)</b>	<b>0</b>	<b>(2,708)</b>

Revenue Grants Receipts in Advance	2020-21 £000	2021-22 £000
Welsh Government	(42)	0
NQT/EWC Balance	(650)	0
<b>Total Current Liabilities Revenue Grants Receipts in Advance</b>	<b>(692)</b>	<b>0</b>

### 15.1.3 Further Breakdown of Short-Term Creditor Analysis

Breakdown of Short-Term Creditors	2020-21 £000	2021-22 £000
Pupil Development Grant	(95)	(65)
Regional Consortia School Improvement	(1,724)	(3,112)
NQT	(120)	0
<b>Total Current Liabilities Revenue Grants</b>	<b>(1,939)</b>	<b>(3,177)</b>
Central Team	(77)	(143)
<b>Total Creditors Owed 31 March</b>	<b>(2,016)</b>	<b>(3,320)</b>

### 15.2 Cash and Cash Equivalents

	Balance 31 March 2021 £000	Balance 31 March 2022 £000
Cash at Bank / in Hand	3,135	951
Cash Overdrawn	0	0
<b>Total Cash and Cash Equivalents</b>	<b>3,135</b>	<b>951</b>

### 15.3 Contingent Liabilities

None.

#### 15.4 Pensions (Reserve)/Liability

The Pensions (Reserve)/Liability relates to the Dyfed Pension Scheme (see note 13.2.1) and absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

The debit balance on the Pensions Reserve reflects the shortfall at a point in time between the benefits earned by past and current employees and the resources in terms of pension fund assets required to meet them. The statutory arrangements for managing the Fund should ensure that funding will have been set aside by the time the benefits come to be paid.

	2020-21 £000	2021-22 £000
<b>Balance 1 April</b>	<b>407</b>	<b>613</b>
Reversal of items chargeable to the surplus/deficit on the provision of services in the Comprehensive Income and Expenditure Statement	386	46
Employers pension contributions and other direct payments in the year	(180)	(18)
<b>Balance 31 March</b>	<b>613</b>	<b>641</b>

#### 16.0 Events after the Reporting Period

The new 'Partneriaeth' commenced on 1 April 2022, with a new legal agreement in place for the three partner local authorities. It is understood that the other local authorities will be making their own arrangements for the future.

Following external audit, and consideration and approval of the ERW Statement of Accounts for 2021-22, the assets and liabilities of ERW will be administered as outlined above.