

# Annual Governance Statement 2020-21



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:

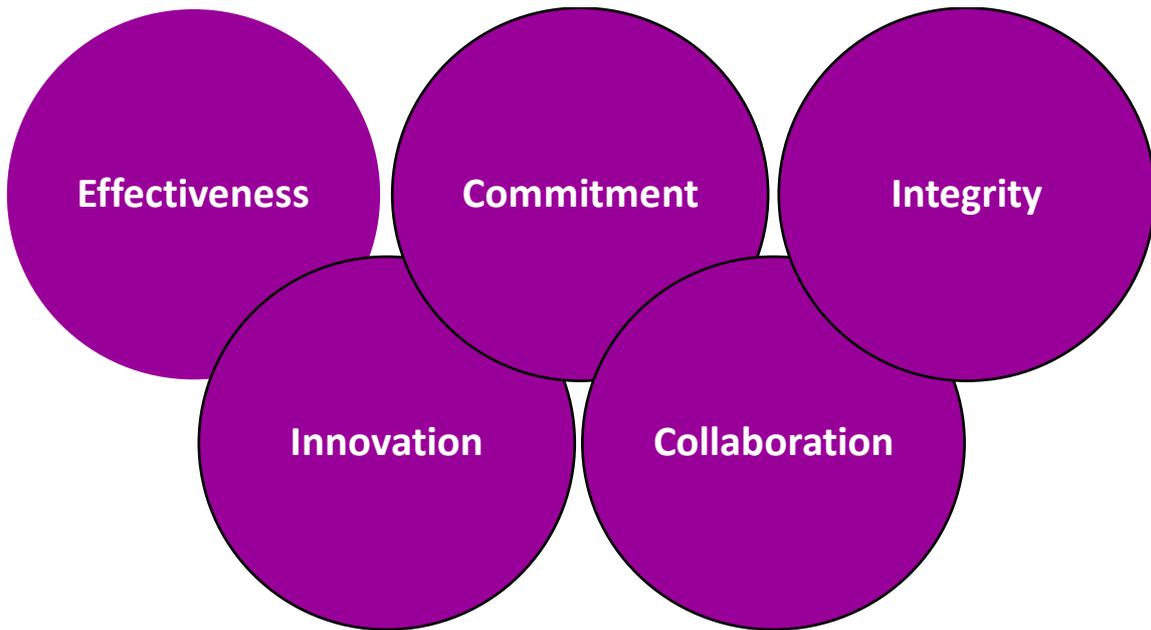
- City and County of Swansea Council
- Neath and Port Talbot County and Borough Council
- Powys County Council
- Ceredigion County Council
- Pembrokeshire County Council
- Carmarthenshire County Council

Neath Port Talbot County and Borough Council withdrew from the consortium on 31 March 2020, and Ceredigion County Council withdrew from the consortium on 31 March 2021. The City and County of Swansea Council and Carmarthenshire County Council rescinded their notices to withdraw until initially 31 August 2021. The remaining partners are considering shorter notice periods set out in a Deed of Variation to withdraw from ERW.

A report to the Joint Committee in July 2020 regarding the future footprint of ERW highlighted that ERW has struggled to function effectively and identified a number of challenges faced and drivers for change. Much of the focus of 2020-21 has related to the cessation of ERW in its current format, and the development of future regional partnership working. A report to the Joint Committee in February 2021 noted that escalating COVID-19 cases in schools and further lockdowns impeded progress.

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. Whilst this preference was confirmed at the Joint Committee meeting on 21 July 2020, at this time agreement has been reached for three Local Authorities to continue to work together in partnership (Carmarthenshire County Council, Pembrokeshire County Council and the City and County of Swansea County Council). Discussions on forming an informal partnership are ongoing between Ceredigion County Council and Powys County Council. Neath Port Talbot County Borough Council has indicated that it will not join any future arrangement at this point in time.

## ERW'S VALUES



## ERW'S VISION

“Improving Learning Together”

## 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 2020-21 was informed by the work undertaken during the Internal Audit review, which included a follow-up on the implementation of Significant Governance Issues and Priorities for Improvement identified in 2019-20. Additional assurance was provided by the Head of Internal Audit Assurance Opinion based on the work undertaken by Internal Audit in 2020-21, 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 2020-21. 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 2020-21 was approved by the Joint Committee on 9 November 2020. 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.

The Business Plan 2020-21 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 was also highlighted as a concern during 2019-20, with assurances provided that a framework would be developed for 2020-21.

### **Joint Committee**

During 2020-21 the Joint Committee comprised of the five Local Authority Leaders supported by the five 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, and Ceredigion County Council withdrew from the consortium on 31 March 2021.

Following publication of The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, the Joint Committee held virtual meetings during 2020-21. However, the absence of meetings at the outset of the pandemic impacted on the timeliness of decision making (for example, the Business Plan was not formally approved until November 2020).

### **Executive Board**

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

The Executive Board met regularly during 2020-21, prior to each meeting of the Joint Committee. However, 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 five local authorities' Education Scrutiny Committee's met twice during 2020-21 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) (following the withdrawal of Ceredigion County Council from the Consortium, the role of Monitoring Officer was reallocated to Tracey Meredith from the City and County of Swansea Council on an interim basis)

The Statutory role of the Lead Education Director has been held by Gareth Morgans (Director of Education, Carmarthenshire) since February 2020.

However, there have been several changes to the Managing Director/Chief Officer roles during 2020-21:

- Managing Director:
  - Interim Managing Director – Andi Morgan, September 2019 – May 2020;
  - Interim Managing Director – Yan James, June 2020 to August 2020;
- Chief Officer:
  - Interim Chief Officer – Greg Morgan, September 2020 to date;
  - Interim Chief Officer – Ian Altman, September 2020 to date.

## **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

## **Strategy Groups**

Joint Committee approved the Strategy Groups at their meeting on 9 December 2019. The ERW Strategy Groups are a critical aspect of ERW's governance arrangements. They are the primary driver for developing ERW's work in the key areas of: Professional Learning and Research; Leadership; Curriculum; Digital Skills; Equity and Wellbeing; and Welsh. Each Strategy Group is responsible for monitoring the progress of the aspect of the Business Plan actions for which they are responsible. They are also responsible for co-constructing content in the following year's Business Plan. The Strategy Groups are also a conduit for communication between the region and peers within the constituent local authorities, and the wider profession.

## **Consultation, Communication & Engagement**

Since the onset of COVID-19 the ERW region has continued to work closely and collaboratively with its constituent local authorities, consortia partners, Welsh Government, Estyn and other stakeholders in support of the highest quality of blended learning and well-being provision for all learners.

COVID-19 impacted upon the delivery of face-to-face professional learning, network and team meetings. However, ERW have continued to implement a similar open and embracing approach to the delivery of services via a series of on-line learning events and virtual meetings, and by developing an online Professional Learning offer, detailing the full range of support and professional learning opportunities provided by the ERW team, enabling both synchronous and asynchronous training and provisional learning.

The Chief Officers termly update reports presented to the Joint Committee outlines further communication and engagement activities undertaken during 2020-21 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 an academic year basis 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 Chief Officers and was approved by the Joint Committee in February 2021. The Head of Internal Audit's Annual Assurance Opinion concluded that overall, limited assurance is given 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.

During 2020-21 Estyn undertook a review of local authorities and regional consortia work in supporting their learning communities in schools and pupil referral units during the period from March to October 2020. A letter was provided by Estyn outlining the outcome of this work in ERW, which was presented to the Joint Committee in February 2021. The letter reflected that throughout the period, those leading ERW sought to support the wellbeing of ERW staff, and ensure that ERW's resources have been used to support schools in the region with issues relating to the pandemic as well as with their ongoing school improvement priorities.

## 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 2020-21:

Risk	Residual Rating February 2021	Residual Rating November 2020	Residual Rating July 2020*
ERW Governance	12	12	12
Cuts to School Budgets	12	12	12
Powys Estyn Monitoring results in continued follow-up	8	8	8
Pembrokeshire Estyn Monitoring result in follow-up	8	8	8
Failure to comply with Estyn Action Plan	8	8	12
Data Protection	6	6	12
ERW found not to provide Value for Money	6	6	8
LA failure to comply with Grant Regulations	6	6	8
Failure to respond to qualifications 2021	6	6	-
Timeliness of Welsh Government Funding	6	6	9
Delivery of National Mission	6	6	6
Transparency of Governance	6	6	12
Failure to respond to the impact of Covid-19	6	6	-
Ceredigion Estyn Monitoring results in follow-up	4	4	4
Carmarthenshire Estyn Monitoring results in follow-up	4	4	4
Swansea Estyn Monitoring results in follow-up	4	4	4
Failure to Deliver Business Plan	4	4	6
Cost Savings Required by Welsh Government	4	4	-
Lack of Clarify on functions	4	4	6
Lack of Communication	4	4	6

\* The Risk Register presented to the July 2020 Joint Committee was prepared in March 2020, risks removed from the Risk Register between July and November 2020 have not been included in the table above.

## Review of ERW's Governance Arrangements for 2020-21

### 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;
- Estyn Letter.

### 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.



<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>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>Lead Officer, Partneriaeth</b></p> <p><i>Partnership's Strategic Lead Officers</i></p>	<p><b>Draft Business Plan for September 2021-March 2022 to be presented to partners in September 2021</b></p>
<p><b>Accountability, Performance Management &amp; Value for Money</b> The Governance and staffing structure for the new partnership 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 Partnership. There should be clear reporting lines and mechanisms 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 the Partnership's Aims &amp; Objectives;</li> <li>• Review and define the role and responsibilities of the staffing structure to support the sustainability and delivery of the Partnership'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 Governance and staffing structure.</li> </ul>	<p><b>Lead Officer, Partneriaeth</b></p> <p><b>Directors of Education</b></p> <p><b>Monitoring Officer</b></p> <p><i>Section 151 Officer</i></p>	<p><b>Ongoing from September 2021 to be completed by March 2022</b></p>
<p><b>Core Funding Agreement &amp; Medium Term Financial Plan</b> The new partnership will need to be supported by a Medium Term Financial Plan to enable longer-term Business Planning. Commissioning arrangements with other Local Authorities should be clarified, so that a full cost recovery model can be adopted with an indication of required support to enable service and financial planning.</p>	<ul style="list-style-type: none"> <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 Partnership.</li> </ul>	<p><b>Section 151 Officer</b></p> <p><b>Lead Officer, Partneriaeth</b></p> <p><i>Principal Accountant</i></p>	<p><b>The budget for 2022-23 to be in place by March 2022</b> <b>We will also endeavour to put a MTFP in place by March 2022, accepting it may have to be based on estimates</b></p>

We are committed to implementing the improvements outlined above to enhance the achievement of intended outcomes from the new Partnership. We are satisfied that these steps will address areas of improvement identified.

**Signed by Interim Chief Officers**

**Date: 29 April 2022**

**Signed by Lead Chief Executive**

**Date: 29 April 2022**

**Signed by Chair of the Joint Committee**

**Date: 29 April 2022**